

Britain's Transport Infrastructure

With permission, Mr Speaker, I would like to make a statement on the Government's plans for Britain's transport infrastructure.

Effective transport links are vital to our economic competitiveness and our daily lives. Britain's prosperity is increasingly defined by the quality of its links to other great trading nations, and by the way in which we move people and goods around the country. By our ability to meet the needs of businesses for gateways to the global economy. To enable people to see their families and friends and to go on holiday.

As the economic downturn demonstrates, we live in a global age. It is critical that Government makes the tough choices necessary to deliver long term prosperity to the United Kingdom – but in a way that meets our environmental objectives. And so it is in this context of sustainable economic growth that I want to set out a package of transport investments to prepare us for an ever more global and mobile world.

Over the past decade we have delivered £150 billion investment in transport – over £13 billion alone this year, and have announced that we will bring forward an extra £1 billion to stimulate the economy by accelerating our plans to cut congestion and significantly increase rail capacity. And over this current three year period we are spending around £40 billion, ensuring that

investment on transport is at its highest level as a proportion of national income for some thirty years.

Mr Speaker, I would first like to update the House on our plans for road and rail infrastructure, and carbon dioxide emissions from transport before turning to aviation, and in particular Heathrow. I am placing in the libraries of both Houses relevant papers setting out the proposals in more detail. Copies will be available in the Vote Office at the conclusion of my statement and on the Department's website.

Motorways

Motorways are essential for enabling people and goods to move around the country.

Successful trials on the M42 have enabled us safely to open up motorway hard shoulders in peak periods, delivering more reliable journey times and adding a third more capacity at peak times. All delivered at a lower cost than a more conventional road widening scheme.

After further detailed work, I can announce today a programme of up to £6 billion which includes applying these techniques to some of the most congested parts of the M1, M25, M6, M62, the M3 and M4 approaching London, and the motorways around Manchester, Birmingham and Bristol.

This is the first step in our strategy to provide for managed motorways across the core of the motorway network linking our major cities over the next 10-15 years, reducing congestion with fewer environmental impacts than with conventional motorway widening.

Railways

On the railways we are already investing £10 billion over the next 5 years, to add capacity, while improving reliability and safety.

However, given the time it takes to plan and build new rail infrastructure, we need to look well beyond 2014.

Electrification

Electrification is advantageous on heavily used parts of the rail network. Electric trains are lighter, accelerate faster, are quieter and emit less carbon dioxide. We are well advanced in procuring replacement trains for the intercity routes, but before we finalise our plans we need to decide whether new parts of the network should be electrified.

Initial work suggests that the case for electrification appears strongest on the most heavily used parts of the Great Western mainline from Paddington, and the Midland mainline north of Bedford. Alongside the work on our new Intercity trains we will analyse the value for money, affordability and financing options of

the electrification proposals which Network Rail will put to me shortly. I intend to make a further statement later this year.

New Lines

Because of the need to plan for the long term, I can also announce that I am today forming a new company - High Speed 2 – to consider the case for new high speed rail services from London to Scotland. As a first stage we have asked the company to develop a proposal for an entirely new line between London and the West Midlands, which would enable faster journeys to other destinations in the North of England and Scotland using both existing lines and a new high speed rail network.

Our experience with Crossrail and the Channel Tunnel Rail Link has demonstrated that advance detailed planning is required to progress such major infrastructure schemes.

The purpose of the new company will be to advise Ministers on the feasibility and credibility of a new line with specific route options and financing proposals. Sir David Rowlands will chair the company in the interim.

I see a strong case for this new line approaching London via a *Heathrow International* hub station on the Great Western line, to provide a direct four way interchange between the airport, the new north-south line, existing Great Western rail services and Crossrail into the heart of London.

My intention is that, by the end of this year the company will have advised us on the most promising route or routes, with their individual costs and benefits.

Aviation

In the 2003 Air Transport White Paper, the Government set out its support – in principle – for a third runway at Heathrow airport: support that was conditional on any development meeting strict local environmental conditions.

Economic benefits

Heathrow airport supports over 100,000 British jobs. A third runway is forecast to create up to 8,000 new on-site jobs by 2030 and will provide further employment benefits to the surrounding area. Its construction alone would provide up to 60,000 jobs.

But, more significantly for businesses across the United Kingdom, Heathrow is the only hub airport - it is our most important international gateway.

It serves destinations that none of our other airports serve and it provides more frequent services to key international destinations such as Mumbai and Beijing. It connects us to the growth markets of the future - essential for every great trading nation. In doing so, it benefits every region of United Kingdom.

But Heathrow is now operating at around 99% of its maximum capacity - leading to delays and constraints on future economic

growth. Heathrow is already losing ground to international hub airports in other competitor countries. This makes the United Kingdom a progressively less attractive place for mobile international businesses. Delays damage the efficiency of the airport but they also cause unnecessary carbon dioxide emissions as up to four stacks of aircraft circle London waiting to land.

Mr Speaker, the Government remains convinced, therefore, that additional capacity at Heathrow is critical to this country's long term economic prosperity.

We consulted in November 2007 on three options for providing additional capacity, and on whether the environmental conditions could be met. We received nearly 70,000 replies. I have now considered the responses and reached my conclusions.

Mixed Mode

Two of the options would use the existing runways for both arrivals and take-offs, otherwise known as Mixed Mode. This would improve resilience, reduce delays and has the potential to provide early additional capacity.

It is clear from the consultation, however, that residents under the flight paths greatly value the present alternation of runway operations at around 3pm, which gives them respite from overhead aircraft noise for at least 8 hours each day.

Having carefully considered the evidence, including from the consultation, I have decided not to proceed with mixed mode.

I have also decided to extend the benefits of runway alternation to those affected by aircraft taking off and landing when the wind is blowing from the east. I will therefore end the Cranford agreement, which generally prohibits easterly take-offs on the northern runway. This will benefit the residents of Windsor and others to the west of the airport, and Hatton and North Feltham to the east.

I support the continuation of the other operating procedures as set out in the consultation.

Third Runway

This leaves the question of a third runway. Let me first explain my conclusions, in the light of the conditions, on noise, air quality and surface access set out in the 2003 White Paper.

Noise

In 1974, some 2 million people around Heathrow were affected by average levels of noise at or above 57 decibels. By 2002, that number had reduced to 258,000 people as the result of significant improvements in aircraft technology.

In the White Paper, the Government committed not to enlarge the area within which average noise exceeded 57 decibels. In the light

of all the evidence, including from the consultation, I have decided that this condition can be met, even with a third runway.

Indeed, because newer aircraft are quieter, the numbers of people within the 57 decibel contour by 2020 is expected to fall by a further 15,000 from 2002, even with more aircraft movements in 2020. And the number of people affected by higher levels of noise is expected to fall even more significantly: for example, a 68% reduction – more than 20,000 fewer people – affected by noise averaging 66 decibels and above.

Air Quality

On air quality, the Government is committed to meeting our EU obligations. The relevant pollutant at Heathrow is Nitrogen Dioxide, for which the EU has set a 2010 target of an annual average of no more than 40 microgrammes per cubic metre. As with most other major European economies, the United Kingdom does not yet fully comply with this limit: largely as a result of emissions from motor vehicles.

The area around Heathrow is by no means the worst example in the country, and the limit is currently exceeded in a number of places in the United Kingdom, in most cases by more than near Heathrow.

Meeting EU air quality targets is an issue that must to be addressed across the United Kingdom, not simply around Heathrow airport. The European Commission has agreed that

Member States could be allowed an extension to 2015, if member states can show that they have plans in place to meet the targets. This presents a significant challenge but I am committed to supporting the actions, mainly in relation to motor vehicle emissions, necessary to achieve it.

Immediately around Heathrow action will be necessary to ensure that we meet the air quality limits by 2015. Our forecasts predict that, in any event, we will be meeting the limits by 2020 even with airport expansion.

Air quality and noise compliance

Normally these decisions would be taken on the basis of forward projections and modelling. To reinforce our commitments on noise and air quality, I have decided however that additional flights could only be allowed when the independent Civil Aviation Authority is satisfied:

- First that the noise and air quality conditions have already been met. The air quality limit is already statutory. We will also give the noise limits legal force.
- Second that any additional capacity will not compromise the legal air quality and noise limits. We will give the CAA a new statutory environmental duty to ensure that it acts in the interests of the environment in addition to its existing obligations and duties, and that it follows guidance from

myself, my Rt Hon Friend the Environment Secretary and the Energy and Climate Change Secretary.

Moreover, in the event that air quality or noise limits were breached, the independent regulators will have a legal duty and the necessary powers to take action – or require others to take the action – needed to come back into compliance. In the case of noise this would be for the CAA. In the case of air quality, where emissions from roads and rail around Heathrow also need to be considered the Environment Agency will act as the enforcement body with appropriate guidance from Ministers.

Public transport

Mr Speaker, the third local condition for expansion for Heathrow was the provision of adequate public transport. Major improvements in rail access have already been announced, including increases in capacity on the Piccadilly line and the introduction of Crossrail services from 2017. This will provide a maximum capacity of 6,000 passengers per hour which will be able to accommodate the estimated demand for rail access to a three-runway airport.

The Government also welcomes the lead being taken by BAA to promote the Airtrack project providing direct rail access to the airport at Terminal 5 from the south and west. The Department will work with BAA and Network Rail to consider this and other schemes to improve connections from Heathrow to places like

Waterloo and Guildford, Reading and other stations on the Great Western Mainline.

Mr Speaker, having considered all the evidence, I have decided that all three of the Government's conditions for supporting a third runway at Heathrow can be met.

I can therefore confirm that an additional terminal and the slightly longer runway proposed in the consultation are the best way to maximise the efficiency of a larger airport.

However, I want there to be a limit on the initial use of the third runway so that the increase in aircraft movements does not exceed 125,000 a year, rather than – at this stage – allowing the full additional 222,000 aircraft movements on which we consulted.

I have also decided that any additional capacity available on the third runway will, after consultation, be subject to a new “green slot” principle, to incentivise the use at Heathrow of the most modern aircraft, with further benefits for air quality and noise – and indeed carbon dioxide emissions.

Transport policy and carbon dioxide reductions

Mr Speaker, it is of course crucial for transport – including aviation – to play its full part in meeting our goal to limit carbon dioxide emissions.

As a result of United Kingdom leadership on aviation emissions in particular, carbon dioxide emissions from international aviation were included in the EU 20% greenhouse gas reduction target for 2020, agreed by the Prime Minister with other European leaders in December last year.

Under the EU emissions trading scheme this reduction will occur whether or not Heathrow is expanded. With a fixed cap for aviation across Europe, doing nothing at Heathrow would allow extra capacity at other hub airports like Frankfurt, Schipol and Charles de Gaulle. “Doing nothing” will damage our economy and have no impact whatsoever on climate change.

The framework for reducing emissions across the EU covers international aviation and all sectors of each member state’s domestic economy. This includes emissions from domestic transport within the United Kingdom.

The Government has already made clear it will respond to the advice of the Committee on Climate Change on carbon budgets, taking into account aviation, and we will set our carbon budgets later this year.

These budgets will reflect the measures in the EU 2020 package, such as tough new limits on emissions from new cars. To reinforce the delivery of carbon dioxide savings, and to lay the ground for greater savings beyond 2020, I am announcing today funding of £250 million to promote the take-up, and commercialisation within the United Kingdom, of ultra low emission

road vehicles. With road transport emissions so much greater than aviation's, even a relatively modest take-up of electric vehicles beyond 2020 could – on its own – match all the additional carbon dioxide generated by the expansion of Heathrow.

But, Mr Speaker, action in relation to domestic transport is not sufficient. We need to take the same tough approach to aviation emissions as we are doing in relation to other transport emissions.

So having taken the lead in promoting the inclusion of aviation in the EU Emissions Trading Scheme, the Government will be pressing hard for international aviation to be part of the global deal on climate change at Copenhagen later this year. I have asked the Committee on Climate Change to report back later this year on the best way in which such a deal for aviation could be structured.

I can announce my intention to promote an international agreement to secure the same kind of progressively stricter limits on carbon dioxide emissions from aircraft as are already in place for cars within the EU. My Hon Friend, the Parliamentary Under Secretary of State, has been in Tokyo this week setting that out to a meeting of G7 Transport Ministers.

But I want to go further. Work published by the aviation industry already illustrates how it could reduce United Kingdom emissions below 2005 levels by 2050. This could include the use of new technologies like blended wings and through the sustainable introduction of renewable fuels.

I can announce that we will establish a new target to get aviation emissions in 2050 below 2005 levels and I have asked the Committee on Climate Change to advise on the best basis for its development.

Mr Speaker, the Government will monitor carefully the emissions from aviation, with the help of the Committee on Climate Change.

Any future capacity increases at Heathrow, beyond the decision I have announced today, will only be approved by the Government after a review by the Committee on Climate Change in 2020 of whether we are on track to achieve the 2050 target that I have announced.

So, Mr Speaker, we are effectively taking three steps to limit any increase in carbon dioxide emissions:

- First, we are limiting the initial extra capacity to around half of the original proposal;
- Second, we intend that new slots at Heathrow will have to be green slots. Only the cleanest planes would be allowed to use the new slots that will be made available; and
- Third, we will establish a new target to limit aviation emissions in the United Kingdom to below 2005 levels by 2050.

Taken together this gives us the toughest climate change regime for aviation of any country in the world, which gives Ministers the

confidence that we will achieve our 80% emissions reduction target. And in addition we will make it one of our highest priorities to secure international agreement on measures to reduce aviation emissions.

The airport clearly needs new capacity as soon as possible so as to reduce delays and improve resilience. Since I am not willing to allow the two existing runways to operate on mixed mode, I anticipate that the airport operator will bring forward a planning application for a new runway to be operational early in the period between 2015 and 2020 envisaged in the White Paper.

The parallel review of the economic regulation of airports is focusing on how best to improve the passenger experience and encourage investment. In the regulatory framework which results from this work, I expect the first call on new capacity to ensure that journeys are more reliable for existing passengers. We will therefore have a better airport.

Peroration

Mr Speaker, these announcements on transport infrastructure, on motorways, railways, on Heathrow, and on carbon reductions from transport show the Government taking the right decisions for the long term. Delivering real help with job creation today, and creating real hope for Britain's long term growth prospects.

Real help in securing carbon reductions.

Real help for rail passengers.

And real help in increasing the long term competitiveness of the United Kingdom economy by creating excellent transport links to the global economy, ensuring this remains an attractive place in which to do business.

I commend this statement to the House.