The planned chaos above us [1]

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The House of Commons Transport Committee has called for evidence [3] on the government's draft Civil Aviation Bill.

Well, here's my opinion. The first thing to note is that in a desperate bid to look 'green' for some reason, the government has decided not to go ahead with an extra runway at Heathrow but instead waste billions carving new high-speed rail lines through rural England (which doesn't seem to be too environmentally friendly either). And if you want to know what a bad proposition high-speed rail is, you need look no further than Nigel Hawkins's excellent ASI report on it, High Speed Fail [4].

Get real. London both needs and benefits from having a 'hub' airport at which people who are on their way to places ? from the US to Europe and the Middle East, for example ? can simply change planes without hassle. Sure, they are not coming into the city and spending vast amounts in the shops, but the business of handling all those planes and passengers is a nice little earner. Heathrow always occupied this hub-airport role in Europe. But now this business is moving out to other airports in France, Netherlands and Germany. London airport expansion has happened piecemeal, so as not to offend too many locals ? and so we have Healthrow, Gatwick, Stansted and City Airport (and maybe even Luton if you like) rather than one big hub. And getting between them is a nightmare, so changing planes in London is becoming simply impossible on many journeys. So the first step is to build the new runway at Heathrow, to give breathing space while a new Thames Estuary airport is developed.

What the Bill won't say, of course, is that we should use the market to sort out the problem of congestion over London. Take-off and landing slots at Heathrow should simply be auctioned to the highest bidders. Then, the airlines and services that really needed to be at this full-to-capacity airport would get to be there, while others to whom the Heathrow location was marginal would up sticks and move to one of the other airports. Right now, British Airways occupies 40% or more of the take-off and landing slots at Heathrow, and will acquire even more if they acquire BMI through Lufthansa. Why should anyone pay good money for a heavily loss-making business like BMI? It makes no sense unless you can acquire more take-off and landing slots.

But at present, the whole business is opaque. We are not told what airlines pay for take-off and landing slots at Heathrow. Why not? The fact that British Airways moves heaven and earth to acquire new ones by buying decrepit airlines, and that it tries so hard to keep out other operators, and that it resists the idea of auctioning the slots so furiously, all suggests that the slots are worth many billions of pounds. If you can raise £22.5bn from auctioning mobile telephone licences, how much do you figure airport slots are worth?

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