

### **... and reduce congestion costs**

- Congestion imposes costs on both airlines - increasing the cost of providing planned services - and users, whether through the extra time taken to pass through airports or the time wasted when flights do not leave or arrive on time.
- Congestion costs have been rising over the past decade as passenger numbers have grown more rapidly than the capacity of the air transport system to handle them. Our estimates show congestion costs (to both airlines and passengers) have more or less tripled from nearly £600 million in today's prices a decade ago to £1.7 billion in 2005.
- If these trends continue, congestion costs could exceed £5 billion a year in today's prices by 2015, and approach £20 billion a year by 2030.
- There are a range of possible investments – eg introduction of mixed mode operations, improvements in air traffic control, new runway and terminal development – that would reduce congestion, with substantial potential benefits to the economy.

### **Environmental impacts are smaller than GDP benefits**

- In addition to congestion, there are three other main environmental impacts arising from aviation: noise, local air quality, and climate, of which the last is by far the most important in quantifiable terms.
- The combined cost of CO<sub>2</sub> and the potential non-CO<sub>2</sub> climate impacts from UK aviation is estimated to have amounted in aggregate to £1.4 billion in 2000, and could reach £4 billion a year in today's prices by 2030.
- The growth in air services in the alternative scenarios for runway development we have analysed would have implications for emissions, with an estimated cost ranging from an additional £100 million a year for mixed mode operation at Heathrow to an additional £700 million a year in today's prices by 2030 for full implementation of the White Paper proposals.
- But the economic benefits of the White Paper runway proposals remain substantial even after allowance is made for the environmental cost of additional emissions.