

**REPLY BY THE PRESIDENT OF  
THE STATES' TRADING SUPERVISORY BOARD  
TO A QUESTION ASKED PURSUANT TO RULE 14 OF THE  
RULES OF PROCEDURE BY DEPUTY CARL MEERVELD**

Regarding P.2022/90 ALDERNEY AIRPORT RUNWAY REHABILITATION

**Question 1**

Background:

The existing Alderney runway and facilities were constructed 54 years ago. It is reasonable to assume that Option's A, B, and C would also have a 50-year design life if properly maintained.

Question:

What is the difference in 50-year full life cycle cost (capital expenditure, maintenance and revenue operating cost) between Option A and Option C including all the additional security and safety cost mandated under CAA regulations to service Code C aircraft such as the ATR72, without derogations, for Option C assuming an inflation rate of 2.5% per annum (average inflation 1989 – April 2022)?

**Answer**

The premise of the question is not accurate, as it is not "reasonable to assume that Options A, B, and C would have a 50-year design life if properly maintained".

While the original hard surface runway at Alderney Airport was constructed in 1968, it has undergone major refurbishment and alteration since then - including resurfacing in 1988 and again in 2001. As with any asphalt surface, the bitumen becomes brittle with age, which accelerates deterioration over time, including to the underlying base levels. Despite regular and ongoing maintenance, the current surface has evidently reached the point where it is no longer economic to maintain, and more extensive work is required.

The business case for all runway Options outlined in the policy letter is predicated on a 15 year design life. The STSB is of the view this life could be extended, with proper maintenance and favourable weather, to around 20 years maximum.

Furthermore, the provisional budget of £4.5m for the airport terminal and fire station are based on pre-fab replacement or basic refurbishment only, and accordingly would not be written off over more than 20 years. In any event, the majority of expenditure under all the Options relates specifically to the runway (and to a lesser extent other hard surfaces), which clearly have a finite operating life.

Therefore, any forecast that seeks to provide some indication of a whole life cost over 54 years would be highly speculative. It would need to include a provision for a full life pavement reconstruction, and building refurbishment, at year 21 and again at year 41. It is impossible to estimate with any accuracy such future costs, that may be decades away.

**Date of Receipt of the Question: 7 November 2022**

**Date of Reply: 22 November 2022**