

National Interest or Self-Interest?

Last month the pro-Heathrow expansion lobby group Future Heathrow placed a full-page advert in national newspapers naming 100 companies who back a 3rd runway at Heathrow.

The advert said:

"Heathrow Airport is vital for business. It offers the direct connections which make our companies globally successful, and which will be all the more important as India and China grow.....and that's why Heathrow needs a third runway built within strict environmental standards. Britain is at the heart of the global economy. Let's make the right decisions to keep us successful."

The advert implies that the 100 companies are backing a 3rd runway in the national economic interest. When NoTRAG (No Third Runway Action Group) and HACAN examined in detail the list of companies which signed up to the advert, they found that it was self-interest rather than the national interest which was the driving force for most of the businesses. They also found that the word 'businesses' was misleading as the 100 signatories were not all businesses.

In summary:

Of the 101 'businesses':

53 have clients in, or connections with, the aviation industry or would stand a chance of getting work if expansion took place.

Of these, **8*** have a link with Sir Nigel Rudd, the Chairman of BAA

13 are Associations

3 are unions

1 is a the pro-aviation lobby group, Future Heathrow

That leaves **31**

Of those **12** are legal firms, advertising agents or finance houses, many of which can be expected to have clients in the aviation industry

That leaves 19 which *may* not have a direct financial interest in the expansion of Heathrow.

*** Rudd's Links - Current BAA Chairman Sir Nigel Rudd has been associated with many companies in his career.**

1970 Divisional finance director, London & Northern; 1978 Chairman, C Price & Sons; 1982 Chairman, Williams Holdings; 1994 Chairman, East Midlands Electricity, later becoming chair of Boots, Pilkington and Pendragon, and deputy chair of Barclays. Qualifying early as an accountant, he was a corporate trouble-shooter at 24 and soon acquiring ailing businesses, building up conglomerate Williams Holdings only to dismantle it later. As Chair of big names like Pilkington, Pendragon and Boots, he pulled off big-ticket deals...In rapid fashion, he sold off two of the companies he chaired - Boots and Pilkington; he has led another - Pendragon - to a merger; and at a fourth, where he's Deputy Chair, he's been closely involved in the biggest banking takeover in British history: of ABN Amro. **From a profile of Rudd by the business writer, Chris Blackhurst in May 2007**

Green and Corporate Social Responsibility Policies: Many of the companies have these. In section 5, we list the ones which seem most at odds with the firm's support for a third runway.

1. The Connections, Clients, Friendships, Favours and Financial Self-Interest

First, we list those 'businesses' which have clients in, or connections with, the aviation industry or would stand a chance of getting work if expansion took place.

* Those with an asterisk have or have had direct links with the BAA Chairman, Sir Nigel Rudd.

Addleshaw Goddard

The Link: A corporate law firm which has an aviation team, with BA on their client list.

Alliance Boots*

The Link: BAA Chair Nigel Rudd, a former chairman.

Amec

The Link: An engineering and project management company which could potentially get work with Heathrow expansion.

Amey

The Link: Owned by Spanish infrastructure services company of Ferrovial, owners of BAA!

Arora

The Link: Hotel group specialising in airport hotels – built a luxury hotel at T5 under the Sofitel brand. In 2006, The Arora Family Trust bought 9 hotels from the commercial property arm of BAA.

AstraZeneca*

The Link: A pharmaceutical company whose non-exec director, John Varley is the Chief Executive of Barclays Bank: Chairman, Marcus Agius, former Chairman BAA; Vice Chairman, Nigel Rudd

Avanta

The Link: Provides serviced offices at Heathrow

Babcock

The Link: Support services company whose clients include BAA.

BAE Systems*

The Link: Nigel Rudd is non exec director,

Balfour Beatty

The Link: A construction firm, with an airports division that worked on T5. Has had a contract with BAA since 1999. Share offices with BAA in Wilton Street HQ.

Barclays Bank*

The Link: Marcus Agius, the Chairman is a former Chairman of BAA and Nigel Rudd is the Deputy Chairman of Barclays. Nigel Rudd was reported to be involved in Agius getting the Chairman post.

Boeing

The Link: A major aircraft manufacturer

BBA Aviation

The Link: An aviation company with annual sales of over £1 billion. Michael Harper, non-executive Chairman was a director of Williams plc, Sir Nigel Rudd's company. In 2000, Harper became Chief Executive of Kidde plc, one of the companies formerly owned by Williams plc.

British Land

The Link: Real estate investors which focus on business property. Dr Chris Gibson, the non-exec Chairman is also the Chairman of the London Stock Exchange and until 2005 was Chairman of NATS (National Air Traffic Control Services Limited).

Carillion

The Link: One of the leading UK support services and construction companies whose clients include BAA and Balfour Beatty. John McDonough, the Chief Exec, is also Chairman of the CBI Public Services Forum, vice chair of the CBI's public services strategy board and a member of the CBI's president's committee.

Clifford Chance

The Link: A legal firm which is the market leader in the aircraft leasing and financing sector - 16 partners and 70 lawyers worldwide operating in that sector.

Clayton, Dubilier & Rice

The Link: A global firm with operating and financial partners based in London and New York which led the successful restructuring of BBA Group.

Compass Group

The Link: The market leader in providing food in schools, colleges workplace and hospitals. Providers to coffee outlets like Starbucks and fast food such as Burger King which all operate at Heathrow.

Corus*

The Link: Have an Aerospace division. Andrew Robb, a non-exec was previously director of Pilkington - part of NSG Group – probably at the time Nigel Rudd was its Chairman. James Leng, Chairman of Corus, is also non-exec Director of Pilkington.

Costain

The Link: One of the country's leading construction companies.

Deloitte

The Link: Major bank with Margaret Ewing, previously Chief Finance Officer at BAA (until 2005), a Managing Partner

Diageo

The Link: Stephen Nelson (former Chief Exec BAA) was at Guinness which is part of Diageo. Diageo are a drinks business – Smirnoff, Guinness, Johnny Walker etc.

EC Harris

The Link: A consultancy working on real estate. Clients include Boots, British Land, Citigroup, Hilton Hotels and BAA. Also listed as a client is T5.

EDS

The Link: Recently purchased by Hewlett Packard. One of their clients is British Airways.

Enterprise Inns

The Link: One of the largest leased and tenanted pub companies.

Freshfields Bruckhaus Deringer

The Link: The legal firm helping BAA with the sell-off of Gatwick

Greenhill

The Link: They have close links with a number of the other companies on the list. Their clients include Alliance Boots and **The Servicemaster Company** by Clayton Dublier & Rice. Lord Blyth of Rowington who joined Greenhill in 2000 retired as Chairman of Diageo plc. He formerly worked at The Boots Co., where he served initially as Chief Exec and later as Chairman. He was also the General Manager of Lucas Aerospace.

Guoman Hotels

The Link: Have airport hotels

Hilton Hotels

The Link: Have airport hotels

JCB

The Link: Well-known construction firm.

JC Decaux

The Link: Billboard Advertising firm which has a huge contract with BAA. They stopped Hillingdon Borough using their boards to display NO to runway on their boards. Insisted the wording was changed to “Have your say”.

Laing O'Rourke

The Link: A major construction firm which did work on Terminal 5. Their Chief Operating Officer is Tony Douglas, was Mark Bullock predecessor as Chief Executive of Heathrow.

Mace

The Link: A consultancy which features Terminal 5 on the front page of its website. They were the Project leader on British Airway's Waterside HQ.

MCM

The Link: Architects specialising in work place design whose client list includes many on the '100' list, including British Airways

Nomura

The Link: A Japanese leader in the securities and global finance market whose non-executive Chairman is Lord Marshall, former chairman of BA.

Noon

The Link: The Southall-based food group headed up by Sir Gulam Noon, is part of Kerry Foods, suppliers of pre-packed meals and snacks. Supply Sainsburys and Waitrose. Denis Cregan is Deputy Chief Executive of Kerry Group PLC is also Chairman of Kerry Airport plc.

NSG Group*

The Link: Pilkington is part of the group – Chairman was Sir Nigel Rudd

Pendragon*

The Link: The non-executive Chairman is Sir Nigel Rudd.

QinetiQ

The Link: Has aircraft testing facilities. Clients include Boeing.

Rio Tinto

The Link: One of the world's leading mining and exploration companies. A non-executive Director is Sir Rod Eddington, former Chief Executive of BA.

SAB Miller

Link: One of the world's leading brewers

Sodexo

Link: A French food and facilities management company.

Stuart Aviation

The Link: Aviation business

Standard Chartered

The Link: Banking organisation - Val Gooding is a non-executive Director who spent has spent a lot of her career at BA. She also has been a non-executive Director at BAA and Compass Group.

Serco

The Link: A provider of air traffic services.

Severn Trent

The Link: Chairman (since 1 Jan 2005) Sir John Egan, formerly Chairman BAA and the man who, while Chairman, sent letters to local people saying BAA would not be pressing for a third runway. The company current BAA Chief Exec Colin Matthews used to work for.

Tate & Lyle*

The Link: John Nicholas, Group Finance Director, worked for Williams plc, the company set up by Rudd and became Pendragon.

The Blackstone Group

The Link: Private equity firm that owns Hilton Group

Thistle

The Link: Part of Guoman Hotels which have airport hotels

Thomson Reuters

The Link: The news agency - Richard Oliver, a director, is also Chairman at BAE Systems.

Tube Lines

The Link: Majority shareholder is Amey, owned by Ferrovial, owner of BAA. Terry Morgan the Chief Exec was formerly at BAE Systems.

Turner and Townsend

The Link: A global consultancy business which has worked on Heathrow Express link project, T5, T5 fit out, T3 Pier 6, T5 Baggage System, Olympia Redevelopment for Hilton Hotels, T4 100% hold baggage screening, AV and media fit out for the Department for Transport.

Whitbread

The Link: UK's largest hotel and restaurant chain which includes Costa Coffee Alan Parker CEO is board member of Visit Britain - Janis Kong, former Heathrow Chief Executive, has been also on the board.

Wragge & Co LLP

The Link: A major UK law firm which has an aviation section

2. Those 'businesses' which *may* not have a link

A link may be present, but, while we look more closely, we have left them of the list.

British American Tobacco

BT

Carlton Partners

An independent private merchant bank.

Cinven

Successful investors in the European buy-out market

Citi

Bank group. US based.

Deutsche Bank

Dial Consultants

DLA Piper

Legal firm

DWC Tang

Hong Kong based company run by Sir David Tang OBE.

Ernst and Young

Finance house

Friends Provident

First Group

Imperial Tobacco

JCA Group

JER Partners

A private equity firm of investment managers

JP Morgan Cazenove

Leading investment bank.

Marshalls

Merrill Lynch

Financial management and advisory company

MMC

A venture capital company which invests in fast-growing UK companies.

Pirelli

Italian firm.

Rothschild

Banking Firm.

RWE npower

Power generation company. No clear link

Omnicom Group

A large advertising and marketing firm which owns Cedar Communications Agency.

The Sage Group plc

Business Management Software company

Siemens

Global technology company

Spencer Stuart

A recruitment firm which places non-exec directors.

Ulster Bank Group

A wholly owned subsidiary of Nat West.

United Utilities

Whitehead Mann

Help recruit and advise senior executives

WPP Group

One of the world's largest advertising agencies. (Recently announced it is moving its offices from Britain to Ireland, primarily to avoid paying British tax.)

3. Associations

These are a mixed-bag. Even in the case of the London Chamber of Commerce and the CBI it has not been made clear whether their member organizations were consulted before the decision to put their name to the Future Heathrow advert in support of a 3rd runway was taken.

Asian Business Association

British Chambers of Commerce

British Hospitality Association

Construction Products Association

CBI

The President is Martin Broughton, who is also Chairman of British Airways

Counselage

Institute of Directors

London Chamber of Commerce and Industry

London Stock Exchange

Scottish Chambers of Commerce

Scottish Council for Development and Industry

Thames Valley Economic Partnership

West London Business

4. Trade Unions and Lobby Group

GMB

TUC

Unite

Future Heathrow

5. Green and Corporate Social Responsibility Policies

A lot of companies have them. We have just highlighted some of the most ones that appear to run contrary to support for a third runway.

Barclays Bank

The bank runs **Barclaycard Breathe** - a new credit card that incentivises consumers to buy greener products and donates half its profits to carbon reduction projects. “Our corporate card is the equivalent is Barclaycard Business Sustain, originally developed for consultancy Deloitte...It’s the first business card designed to help companies offset the carbon emissions of business air travel.”

Boeing

Has links with West London’s The Green Corridor whose latest project is **Tree Buddies**. Tree Buddies is scheme for children in Year 7 in school. Workshops took place at their schools or at Chiswick House or the Royal Botanic Gardens at Kew. One of the Tree Buddy projects is behind the BAA HQ on the Bath Road, opposite the airport – beside the pathway used by Climate Camp protestors last year!

BT

Their Corporate Social Responsibility (CSR) policy includes a **Better World Campaign**. The CSR also includes climate change, carbon footprint and video conferencing and highlights the £238 million saved by BT on video conferences!

Corus

In Feb 2007 they launched the Corus **Climate Change Task Force** – and even launched a special office. Their slogan is “small actions, big results.”

Ernst and Young

CSR includes a commitment on climate change and acknowledges the impact of aviation on climate change. It encourages the use of latest communication technology as a preferred alternative to business travel. Even a offers a cycle purchase scheme.

Freshfields Bruckhaus Deringer

The Chairman of their environmental working group, John Blain, is quoted as saying “our target is to reduce our impact on the environment by reducing our greenhouse gas emissions by 10% by April 2008...” They support projects in India, Turkey and Germany to offset their emissions. They are now certified carbon neutral. Their top priority is to cut down on paper use; their 2nd priority is “reducing our air travel”!
