

By email
3 May 2020

The Rt Hon Grant Shapps MP
Secretary of State for Transport
Department for Transport
33 Horseferry Road
London, SW1P 4DR

Dear Secretary of State

REFORMING AVIATION

A far-reaching review of the aviation industry and the regulatory mechanisms through which it is overseen is long overdue and should be carried out urgently in light of recent events. The intention to carry out such a review should be a condition of, and announced in parallel with, any “bail out” of UK aviation businesses resulting from the impacts of the Covid 19 pandemic.

Aviation, its policy makers and regulators, have had a catastrophic year.

- UK aviation’s CO₂ emissions reached a new record in 2019. The industry’s growing contribution to climate change, and the government’s failure to take action to limit it, came to public and press attention in an unprecedented way. In September 2019 the Committee on Climate Change advised that aviation demand should be constrained to limit its CO₂ emissions.
- In March 2019, after two fatal crashes, the Boeing 737 MAX was grounded worldwide.
- In September 2019 Thomas Cook Group went into compulsory liquidation. The subsequent repatriation programme is estimated to have cost the taxpayer over £150m.
- In February 2020 the Court of Appeal ruled that the Airports National Policy Statement was unlawful because it failed to take account of the Paris Agreement on climate change.
- Aviation has been the primary global transmitting vector for the Covid 19 virus. The industry’s role in the pandemic, and the adequacy of the associated regulations, policies and procedures, will need to be considered thoroughly in due course. It has, however, been known for many years that air transport is the main vector of epidemics globally.

Each of these events taken alone is exceptionally serious. They have imposed substantial economic, environmental, health and social costs. Many lives have been lost. In each case the industry, and the policies and regulatory mechanisms through which its impacts should be managed on behalf of society as a whole, have been found wanting. Collectively this track record amounts to a systemic failure of the aviation industry and its regulators and policy makers.

Two key, and now deeply engrained, issues underpin and link these events.

First, the aviation industry is routinely excused from taking adequate responsibility for its adverse impacts on society. Aviation enjoys immense legal, fiscal, public funding and other privileges. The last 12 months suggests it takes these privileges for granted and its responsibilities too lightly. It expects the industry's interests to be prioritised in all circumstances, based on a systematically overstated view of its economic and societal contribution. Its core low-margin high-volume business model - for which it now demands subsidies and bailouts - is unsustainable and no longer credible.

Secondly, aviation policies and regulatory arrangements are demonstrably inadequate given the scale of the industry's impacts and risks involved. This is symptomatic of a relationship between government and the industry that has become too cosy. A culture has developed over many years, fed by well-funded and powerful lobbying, in which policy-makers and officials appear to believe and act as though their main role is to advance the industry's interests rather than to regulate it effectively.

The result has been a regulatory vacuum as regards the industry's environmental, noise and health impacts and consistent failure to put in place policies that adequately balance all relevant interests. It is no longer sufficient for government to sit on the sidelines applauding inadequate and unenforced industry-led road maps and action plans. Or for it to rely on international organisations knowing they do not have the means to effect change on the scale needed. The government should prioritise its responsibility for regulating aviation, not its role as the industry's cheerleader.

The starting point should be a thorough review of aviation's current and longer-term role in modern society, the privileges it enjoys, the costs and other impacts it imposes, and the regulatory mechanisms through which it is overseen.

No such review has taken place since the industry was transformed by privatisation, competition and deregulation. The previous government's Green Paper, Aviation 2050, was an opportunity to do so but failed to address fundamental economic and environmental issues. It is now severely out of date.

Any review must strike an equitable balance between the benefits aviation brings and its adverse environmental, economic and health costs. That balance must be based on an honest assessment of aviation's contribution and its impacts.

The industry seeks to portray itself as a key contributor to economic growth and trade. That is no longer the case. Air transport, and services incidental to it, account for less than 0.7% of GDP and only 0.4% of jobs. Today's aviation's industry provides overwhelmingly leisure, not trade, services: over 80% of UK passengers travel for leisure purposes. And it primarily serves a small proportion of society: 15% of people take 70% of UK flights. But the industry is projected by the Committee on Climate Change to be responsible for nearly 35% of the UK's residual CO₂ emissions by 2050.

Given this profile one of the foundations for any review should be the commitment in the 2003 Aviation White Paper, never implemented, that aviation should pay the external costs its activities impose on society at large – in other words that the price of air travel should reflect its environmental and social impacts. It will also be essential to take a longer-term view, particularly given the lessons learned during the current pandemic about the risks involved in instant global travel and global trade dependency.

Aviation's environmental, health and financial costs to society, and the inadequacy of associated policies and regulatory mechanisms, have become starkly clear in the last twelve months. Significant reform is required. A wide-ranging review of the industry, its obligations to society, and the way it is regulated should be announced urgently and be a condition to any bail out.

We fully understand that these are very challenging times for the aviation industry. It would, however, be a serious mistake to allow the post-coronavirus aviation industry to be built on the same foundations as the pre-coronavirus industry. The industry of the future must think, behave and be regulated very differently from the one that has failed so comprehensively in 2019/20.

We are ready to engage fully with your Department in this wide-ranging review to achieve a sustainable future for UK aviation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'for:'. The signature is written in a cursive style with a long horizontal stroke at the top.

Peter Barclay, Gatwick Area Conservation Campaign
Sarah Clayton, Airport Watch
Andrew Lambourne, Luton and District Association for the Control of Air Noise
Charles Lloyd, Aviation Communities Forum
Paul McGuinness, No 3rd Runway Coalition
Helena Paul, Edinburgh Airport Watch
Martin Peachey, Stop Stansted Expansion
John Stewart, Heathrow Association for the Control of Air Noise

Cc:

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

The Rt Hon Matt Hancock MP, Secretary of State for Health

The Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs

Kelly Tolhurst MP, Aviation Minister

Huw Merriman MP, Chair, Transport Select Committee

Dame Deirdre Hutton, Chair, Civil Aviation Authority