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Airport Watch
Aviation Communities Forum
Gatwick Area Conservation Campaign
Heathrow Association for the Control of Air Noise
Luton and District Association for the Control of Aircraft Noise
Stop Stansted Expansion

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

31 July 2020

Dear Chancellor

We are writing in relation to the letter sent to you on 16 July by Sir Graham Brady and other Members of Parliament calling on you to “*fuel a green economic recovery by supercharging investment in aviation decarbonisation*”.

We agree with Sir Graham that decarbonising aviation will be a crucial step in meeting the UK's net zero ambitions. He may also be right that it offers an opportunity to make Britain a world leader in new technologies, although the very limited progress made by the aviation industry to date means that the evidence for that is weak and the track record poor.

However, there is no economic or social case for the government to invest taxpayers' money in projects that might reduce aviation's emissions. Doing so would perpetuate the current moral hazard in which the industry pollutes with impunity but expects others to bear the consequences and clean up after it.

The key facts are stark:

- The UK aviation industry is small and employment in the sector has been in decline for many years. ONS data shows that air transport, and services incidental to it, account for less than 0.7% of GDP and only 0.4% of jobs. The industry's increasingly meaningless assertions, such as the one in Sir Graham's letter that aviation “supports” 4.5% of GDP, should be treated with the scepticism they deserve.
- The industry overwhelmingly provides leisure, not trade, services. Over 80% of UK passengers travel for leisure purposes. Although air freight is important in some sectors, aviation as a whole is no longer the key contributor to economic growth and trade that it would like you to believe it is.
- UK aviation primarily serves a small and relatively wealthy sector of society: DfT data shows that 15% of people take 70% of UK flights.
- The industry's environmental track record is dismal. Its CO₂ emissions grew by nearly 16% between 2010 and 2018 (and by 124% since 1990) and reached a new record high in 2019. It is projected by the Committee on Climate Change to be responsible for nearly 35% of the UK's residual CO₂ emissions by 2050.

Encouraged by the absence of effective regulation of its adverse environmental impacts, aviation has adopted a “words not actions” strategy, periodically announcing, then missing, a series of aspirational environmental targets. It is an industry that has chosen to pursue a low-margin high-volume business model, failed to invest with any real effectiveness to address the health, noise and climate change consequences of that model, but now appears to expect the government to do so on its behalf.

In short it takes its many legal, fiscal, public funding and other privileges for granted and its environmental responsibilities far too lightly.

Using taxpayers’ funds to further support an industry that has neglected its adverse environmental impacts for so long, and thereby to cross subsidise a small section of society, would be difficult to justify in any circumstances. It should be inconceivable in the current economic context.

Instead the government’s role should be to regulate the industry’s emissions and other adverse environmental and health impacts properly, by setting and enforcing standards and targets.

The current regulatory vacuum, including the lack of any legal requirement on airlines to achieve net zero emissions (in contrast to the requirements imposed by the Climate Change Act on other sectors), creates uncertainty that airlines will be willing to pay the premium that low carbon technologies and fuels will incur and is holding back the development of those markets.

By contrast, effective regulation that obliges the industry to decarbonise would incentivise the market to develop, and the industry to adopt, low carbon solutions without the need for public funds. Reforming regulation of the industry’s environmental impacts should therefore be at the top of the government’s aviation action list.

Investment that decarbonises aviation and reduces its other adverse impacts must certainly be supercharged, but the costs and risks of that investment must be borne fully by the polluter - the industry and its customers - not by the taxpayer. The industry should put away its bottomless begging bowl, stand down its lobbyists, stop pretending that its glossy road maps and action plans have any practical effect and start making meaningful investments that will actually deliver lower carbon aviation.

Yours sincerely,

Sarah Clayton, Airport Watch
Charles Lloyd, Aviation Communities Forum
Peter Barclay, Gatwick Area Conservation Campaign
John Stewart, Heathrow Association for the Control of Air Noise
Andrew Lambourne, Luton and District Association for the Control of Aircraft Noise
Martin Peachey, Stop Stansted Expansion

cc:

The Rt Hon Grant Shapps MP, Secretary of State for Transport
Kelly Tolhurst MP, Aviation Minister
Huw Merriman, Chair, Transport Committee
Sir Graham Brady and other signatories to the 16 July letter