

ITEM 3: NATIONAL AVIATION POLICY UPDATE

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Government to hold formal consultation on new airport proposals

- 1 The Prime Minister, David Cameron, has announced a formal consultation on plans for a new hub airport in the Thames estuary.
- 2 An additional consultation document - posing questions specifically on the issue of new airport provision - will be issued alongside consultation on the draft aviation policy due in Spring 2012, forming the next timetabled stage in the Government's national aviation policy review.
- 3 This formal consultation will be an important opportunity for all interested parties to raise issues that should be considered in any new airport proposal and in the wider development of aviation policy.
- 4 Two Parliamentary notes have been issued on the full range of new airport proposals that have been considered since 1945:
 - 'Aviation: proposals for an airport in the Thames estuary, 1945-2011'
<http://www.parliament.uk/briefing-papers/SN04920>
 - 'Aviation: Mayor of London's proposals for a Thames estuary airport, 2008-'
<http://www.parliament.uk/briefing-papers/SN06144>
- 5 The most recent proposals for a new airport in the Thames Estuary include a proposal by Lord Foster to develop a four runway airport in the Isle of Grain as part of a wider project to include a new Thames barrier and rail links. The airport alone has been estimated to cost £20 billion with the capacity to handle 150 million passengers per year.

- 6 Another proposal, championed by the Mayor of London is for a four-runway airport built on two artificial islands at Shivering Sands near Whitstable. The proposal, Labeled 'Boris Island' would provide large capacity and allow planes to take off and land over sea. The cost of the project is estimated at between £40-70 billion.
- 7 A third proposal, which was discussed in preparation for the 2003 Aviation White paper is for an 3 runway airport on the Hoo peninsula near Cliffe. This location has established transport links however there are several environmental concerns particularly over bird habitats. The cost has been estimated at £14 billion.

Coalition Party positions

- 8 Reports suggest that the Prime Minister intended to make the announcement much earlier than January 2012, however, Nick Clegg, the Deputy Prime Minister and Leader of the Liberal Democrats, stepped in and blocked the announcement. This intervention, and subsequent delay of the announcement, is said to have created tensions within the coalition and highlighted differences between the Parties' positions on aviation expansion.
- 9 The Conservatives have refused to allow the expansion of Heathrow airport, ruling out a third runway. Following the arrival of the Coalition into Government, airport operator BAA Ltd. withdrew plans for a second runway at Stansted, and any expansion at Gatwick before 2019 has been ruled out. The Government's aviation scoping document, 'Developing a Sustainable Framework for Aviation' published in March 2011, reiterated the Government's commitment to no expansion at Heathrow, Gatwick and Stansted. The Liberal Democrats' policy has been to oppose all airport expansion in London and the South East, including the proposals for a new airport in the Thames Estuary.
- 10 According to the Telegraph, David Cameron and George Osborne are thought to be supportive and more interested in the issue of a new estuary airport after numerous business leaders raised it with them. In his Autumn statement, the Chancellor indicated that the Government would consider all options for airport expansion with the exception of a third runway at Heathrow. Nick Clegg is said to have an "open mind" over the proposal, despite his Party's position opposing aviation expansion, but is said to be keen to consider the views of environmental campaigners and residents.

11 **SASIG COMMENT:**

These divisions illustrate the breadth of the issues to be considered, and should in fact be managed to provide a thorough examination of the full depth and range of issues, as opposed to contributing to aviation being presented as a divisive matter.

London Mayoral elections

- 12 A report in The Telegraph has suggested that some senior Conservatives view Mr Clegg's intervention with political cynicism, suggesting Mr Clegg was concerned that allowing Coalition backing for the scheme before the Mayor of London elections would boost the position of Conservative candidate, Boris Johnson. All of the other candidates for London Mayor have expressed their opposition to the Thames estuary proposal.
- 13 With the London Mayoral Elections set to take place on 3 May 2012 it has been suggested that Cameron's announcement is intended to boost the image of the Conservative candidate and show that he is able to deliver major infrastructure projects for London.

Habitat destruction, climate change emissions and noise

- 14 Opposition to new airport schemes relates to the social and environmental impacts in terms of habitat destruction, noise impacts and increases in climate change emissions.
- 15 **SASIG COMMENT:**
Consideration of these impacts is essential in order to assess their acceptability or not. The hierarchy of analysis must show the extent to which these impacts can be avoided, reduced, mitigated and compensated for. Only then can an informed decision be made about the degree of acceptability of the associated impacts.

Economic impact on the economy of west London

- 16 The impact on the economy of west London needs to be assessed in relation to any new airport scheme.
- 17 **SASIG COMMENT:**
Heathrow Airport currently has a dominant influence on the economy of west London. The benefits and economic security enjoyed due to a large employer being active in the area must be recognised.

Airport growth forecasts published by Government – and widely refuted

- 18 In November 2011, the Department for Transport (DfT) published growth forecasts for UK airports up to 2050¹, alongside their response²² to the 'Aviation Report' published in 2009 by the Committee on Climate Change (CCC).
- 19 These forecasts have been widely discredited by aviation industry representatives due to discrepancies between their own forecasts and those of the DfT. These discrepancies range from being both lower and higher than industry commentators expect, and appear to be predicated on restricted growth at the larger London airports.
- 20 The DfT explained that the purpose of such forecasts is to inform long-term strategic aviation forecasts, not to predict levels at individual airports. That aside, these forecasts are only of value for long-term planning if users have confidence in them, and the compound discrepancies evident in these forecasts raises the spectre that they are not even of use for that purpose.

Civil Aviation Bill published

- 21 A Civil Aviation Bill has been introduced to Parliament. The Bill comprises three main parts:
 - reforming the framework for airport economic regulation;
 - modernising the framework and functions of the aviation regulator, the Civil Aviation Authority (CAA); and
 - transferring certain operational aviation security functions to the CAA as part of wider work to improve aviation security regulation and deliver savings to general taxation.
- 19 This Bill will replace the current economic regulation duties of the CAA with a single primary duty to promote the interests of passengers. The CAA will be given more flexibility to set performance measures at major airports, encourage investment in improvements and provide passengers and other airport users - such as those sending cargo by air - with more information about airline and airport performance.
- 20 In November 2011, the Department for Transport had published a draft version of the Bill for consideration by stakeholders prior to introduction into Parliament (<http://www.dft.gov.uk/publications/civil-aviation-bill>; <http://assets.dft.gov.uk/publications/civil-aviation-bill/>)

¹ Department for Transport (DfT) UK airport growth forecasts up to 2050:-
www.dft.gov.uk/publications/uk-aviation-forecasts-2011

² DfT response to the 'Aviation Report' published in 2009 by the Committee on Climate Change (CCC):-
www.dft.gov.uk/publications/reducing-co2-emissions

The planning system

National Planning Policy Framework (NPPF)

- 21 The Government has responded³ to MPs on the Commons Environmental Audit Committee (EAC) who wrote to the Prime Minister calling for a clearer definition of sustainable development in the yet to be finalised National Planning Policy Framework (NPPF). The Government said that the planning system has always enshrined the principle that the economic, environmental and social dimensions of sustainable development should be considered in a balanced way, and that it will continue to do so.
- 22 The all-Party Select Committee argued that in its current form, the planning framework definition presents different messages to different audiences about what the presumption in favour of sustainable development actually means in practice. The Committee said clarification was critical as the definition would be used as a material consideration in planning decisions and might have to be tested in the courts. The Committee has urged a definition that makes it clear that a 'sustainable development' should not breach environmental limits (on water use or waste disposal, for instance).
- 23 The Government reiterated that the framework also aims to strengthen local decision-making and reinforce the importance of Local Plans, and that appropriate transitional arrangements will be in place before the new Framework comes into force.
- 24 The Government has set a timetable with the intention of producing the final NPPF document by April 2012. The timetable includes publication of transitional arrangements to adopt the planning reforms in a staged approach, prior to the publication of the final NPPF document, however these have yet to be published.
- 25 The House of Commons library has published an information note on developments regarding the NPPF⁴.

³ Environmental Audit Committee publishes correspondence on National Planning Policy Framework, November 2011, <http://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/news/environmental-audit-committee---announcement-of-publication/>

⁴House of Commons library Briefing paper 31 January 2012 <http://www.parliament.uk/briefing-papers/SN06066>

Defra confirms review of impact of EU Directives on development

- 26 The Department for Environment Food and Rural Affairs (Defra) will publish in March 2012 the outcome of its review⁵ of how well the EU Habitats and Birds Directives are being applied to 'protected sites' in England. This move, signalled in the Chancellor's Autumn Statement 2011, will involve stakeholders and other Government Departments. The review will be followed by new guidance that is scheduled to be available by the time of the 2012 Budget.
- 27 Protected sites are Special Areas of Conservation (SACs) under the Habitats Directive and Special Protection Areas (SPAs) under the Birds Directive. There are currently 251 SACs and 84 SPAs in England, covering about 6% of land and 24% of inshore waters
- 28 Defra explained the analysis would focus on obligations in the legislation that affect the authorisation process for proposed development, with a view to reducing the burdens on businesses while maintaining and where possible enhancing environmental benefits.
- 29 As part of the exercise the Department plans to make it easier for businesses to understand what they must do to comply with the Directives by improving Natural England's support and assistance to developers.

Air Passenger Duty (APD)

- 30 The Chairman of the Energy and Climate Change Committee, Tim Yeo, urged the Chancellor⁶, George Osborne, ahead of the Autumn Statement 2011, to not amend the scheme for Air Passenger Duty (APD) in line with demands being made by airline operators.
- 31 Mr Yeo called on the Government to look for ways to make the tax more effective at reducing emissions and says the tax should be used to ensure compliance with the EU Emissions Trading Scheme (EU ETS), with, for instance, any country or operator that refuses to comply with the EU ETS aviation rules should face an increased APD charge in the UK. In addition, he suggests that countries and operators that are complying with EU ETS could be rewarded with a lower level of APD.
- 32 In the Chancellor's Autumn Statement 2011, he committed to extend APD to business jets effective from April 2013, and cut the rate of APD for passengers travelling on long-haul flights from Northern Ireland.

⁵ Department for Environment Food and Rural Affairs (Defra) review of EU Habitats and Birds Directives, <http://www.defra.gov.uk/news/2011/11/29/habitats-and-birds-directives/>

⁶ Energy & Climate Change Committee urges Chancellor to strengthen Air Passenger Duty (APD) rules <http://www.parliament.uk/business/committees/committees-a-z/commons-select/energy-and-climate-change-committee/>

- 33 In December 2011, the Treasury published its response to the APD consultation, confirming that APD will see a significant rise in April 2012, as laid out in the 2011 Budget (between £1 and £14, depending on the class of travel). The Treasury also confirmed that APD will be extended to include business jets, and that rates for passengers flying from Northern Ireland will be cut.
- 34 The Chancellor has indicated that the rise will be twice the rate of inflation. As APD was frozen for the current financial year 2011-12, the increase in the Retail Price Index (RPI) for this year (5%) will be added to the tax alongside the RPI for next year (an additional 5%).
- 35 The Treasury dismissed calls for the banding system of charges, and the inclusion of premium economy seat types in the higher rate, to be changes as being too costly or complicated.
- 36 The lack of change in the Government's stance on APD comes amid a growing backlash against the tax by airline operators. British Airways, Easyjet, Ryanair and Virgin Atlantic launched an unprecedented alliance in early November 2011, calling on the Chancellor to axe the tax.
- 37 Many in the aviation industry have been calling for APD to be scrapped in January 2012, when aviation will start paying for its carbon emissions under the European Union's Emissions Trading Scheme (EU ETS). On this point, the Treasury stated that APD is not a green tax but primarily a revenue-raising duty which makes an important contribution to the public finances, whilst also giving rise to secondary environmental benefits.

http://www.hm-treasury.gov.uk/d/condoc_responses_air_passenger_duty.pdf

Airport and airline developments

Heathrow – 'operational freedoms' trials

- 38 From 2 November 2011, trials have been underway at Heathrow Airport⁷ to explore whether the use of certain procedures can help cut delays and reduce the number of late running flights. The trial will not mean an increase in the number of flights going into or out of Heathrow Airport, but routes will be affected due to both runways being used at the same time.
- 39 These trials – being referred to as 'operational freedoms' trials, came as a recommendation from the South East Airports Task Force (SEAT) – the group set up by the Aviation Minister to progress the Government's programme of improving the passenger experience, and making airports 'better not bigger'.

⁷ BAA Heathrow Airport – 'operational freedoms' trials
http://www.heathrowairport.com/portal/page/Heathrow+noise%5EGeneral%5ENoise+in+your+area%5EOperational+trial/1d532f25264b2310VgnVCM10000036821c0a_/448c6a4c7f1b0010VgnVCM200000357e120a_/

- 40 150,000 homes received a leaflet from BAA Ltd. in October 2011 detailing the trials. Data is being collected and produced throughout the trial on a daily and monthly basis. Daily data reports are available by clicking the link here <http://heathrowtrial.com>. A report will also be produced at the end of the trial.
- 41 During the trials, runway alternation will be overridden when certain conditions are reached. The practice of runway alternation is predicated on the need for residents to experience some degree of respite from the noise impacts of aircraft departing the airport, on average, every 90 seconds.

Gatwick – increased use of single runway; second runway after 2020

- 42 Proposals in the latest draft Airport Master Plan (AMP) for Gatwick support the safeguarding of land for a second runway, should that be pursued, after 2020. The airport operator, GIP, has indicated they have no intention of dishonouring the 2019 Legal Agreement relating to the airport. This agreement means that construction of a second runway cannot take place prior to 2019. It is, however, possible for a planning application to be submitted for this purpose prior to 2019 should GIP be so inclined.
- 43 Prior to that time, increases in passenger numbers will be accommodated up to the limit of available seats on aircraft operating in the peak hours, followed by further demand being met through off-peak services.
- 44 Since peak capacity is a primary driver of airport facility requirements, the case for a second runway will be formed if further demand is to be met once peak services on the existing runway are operating at capacity.
- 45 Some 217 hectares of land will be needed for a second runway, with additional land take for a second terminal, cargo, maintenance, parking and other facilities taking the total land use area to 1,341 hectares, from 674 hectares at present.
- 46 In the near-term, there are operational enhancements that could be made to the one-runway airport, such as providing for aircraft to leave the runway more quickly (Rapid Exit Taxiways - RETs), and infrastructure suitable for use by A380 aircraft (i.e. 'Code F' compliant) – additional remote and pier-served stands and a widened runway.
- 47 The new £73 million North Terminal extension has also been opened at Gatwick, extending the terminal building by 1.25 hectares, with 18 more check-in desks, including self-service kiosks and new baggage reclaim facilities. Additional features include a multi-storey car park providing 1,177 short-stay parking spaces, improvement to the inter-terminal monorail, a new interchange facility at the North Terminal and improvements to the security area.
- 48 It forms part of a wider £475 million investment in the whole of the North Terminal to help support an increase in passengers each year, from 16 million currently to a targeted 20 million by 2020.

Stansted – BAA Ltd. to sell housing stock and the airport

- 49 BAA Ltd. has decided to sell back its housing portfolio around Stansted Airport, a total of 279 houses. This is a development from the company's position in March 2011, when Colin Matthews, BAA Ltd.'s Chief Executive, declared that just some of the BAA-owned houses around the airport would be sold, whilst those that might one day be needed for a second runway would be retained.
- 50 This move cannot, however, be taken as an indication that BAA Ltd. has given up ever building a second runway at Stansted.
- 51 Most of the BAA-owned houses around Stansted were acquired over the past eight years in connection with its now-aborted plans for a second runway but some have been owned by BAA Ltd. for over 30 years, having been acquired in connection with earlier attempts to expand the airport.
- 52 This landmark decision will help remove the blight and uncertainty that has overshadowed communities around the airport for many years. The sales process will need to be handled sensitively in order to not flood the market, and to protect the position of those tenants who may not be able to buy the homes they currently rent, and a few of those have been long-term tenants of BAA Ltd.
- 53 BAA Ltd. has, however, refused to sell back its housing portfolio around Heathrow Airport, in case a third runway is approved in the future.
- 54 BAA Ltd. has lost its appeal against a ruling that it must sell Stansted Airport. In 2009 the Competition Commission ruled that BAA Ltd. needed to sell Gatwick, Stansted and either Edinburgh or Glasgow airports. BAA argued in its appeal that it was not reasonable to consider that Stansted served the same market as Heathrow; however, the Competition Commission did not agree and dismissed the appeal meaning that BAA Ltd. must now sell Stansted Airport.

Norwich airport - new road link

- 55 The Northern Distributor Road (NDR) is a new road to distribute traffic around the North of Norwich and link with the A47 trunk road at Postwick and the A1067 Fakenham Road. This new road will improve strategic access from the north of Norfolk / Norwich, including Norwich Airport, to the strategic road network.
- 56 The NDR proposal was submitted in a bid proposal to the Department for Transport (DfT) in late 2011, and in December 2011, the DfT announced that the NDR would receive Government funding. The total cost of the project is estimated at £111 million and completion is expected in Spring 2017.

Robin Hood Airport Doncaster Sheffield development

- 57 An important link road between Robin Hood Airport in Doncaster and the M18 motorway will enter the construction phase in summer 2012. The road, better known as the Finningley and Rossington Regeneration Route Scheme, or FARRRS, is part of a larger campaign called the Gateway to Sheffield City Region (GSCR), which, in April 2011, was awarded £18m from the Government's Regional Growth Fund (RGF).
- 58 The road should be operational by early 2014. Consultation on the proposals was held in February 2012. Officers from Doncaster Council gave a presentation, outlining the proposals at the SASIG meeting held on 28 October 2011.

Luton Airport – expansion consultation

- 59 Luton Airport is holding a public consultation in February 2012 on proposals to develop the airport to achieve a passenger capacity of 18 million per annum. The airport is currently operating at ~10.3 million passengers per annum (mppa) using the existing runway and within the current airport boundary.
- 60 London Luton Airport Limited is the owner of the airport and its shareholder is Luton Borough Council. The airport is run by London Luton Airport Operations Limited on a 30-year concession (granted in 1998). The agreement with the operator allows the owner to break the concession with effect from 1 April 2014.

Birmingham Airport - new terminal opened

- 61 Birmingham Airport officially opened its new terminal in May 2011. The new facility is the latest phase of a £100m redevelopment of the airport, which includes construction of a new international ier, a 3,365m space multi-storey car park, taxiway improvements and an air traffic control tower, due to be open in 2013. In the next decade it will invest a further £100 million to help achieve its vision for the future.

Manchester Airport – plans for 'Airport City'

- 62 Manchester Airports Group (MAG) will be forced to look for an alternative source of funding to kick-start its Airport City scheme after missing out on £10m of Government cash, in November 2011.
- 63 MAG Developments, the group's property arm, had bid for the money in round two of the Regional Growth Fund (RGF), as part of a wider application submitted by the Greater Manchester Local Enterprise Partnership.
- 64 It was hoped the cash would pay for vital infrastructure works that would accelerate by 18 months the £650m Airport City scheme, which was given Enterprise Zone status by the Government earlier this year.

Aberdeen Airport - runway extension completed

- 65 The £10m, 124m (406ft) extension of Aberdeen Airport's main runway⁸ was completed in October 2011, almost eight months ahead of schedule. It is hoped this improved facility could open up new routes.
- 66 Groups including 'Aberdeen Against Climate Change' had objected to the development. A study by York Aviation has predicted an additional 205,000 passengers by 2015, and a considerable boost to the local economy.

London City Airport – airfield expansion

- 67 The operator of London City Airport has unveiled plans for the expansion of its floating airfield, which they said was needed for the next generation of planes. The planned works are to improve aircraft access to the runway and also to cater for the wider wingspan of modern planes. These include the Bombardier CS100 aircraft, which is due to come into operation in 2015.
- 68 The proposals include plans for replacing aircraft parking stands with a layout that can accommodate the next generation of cleaner and more technologically advanced aircraft. The Bombardier CS100 produces fewer emissions and is expected to be quieter than the older aircraft it will replace. Tests on noise levels will be taken before commercial flights are allowed, the airport operator has said.

Plymouth Airport closed

- 69 Plymouth airport closed on 23 December 2011 after the operator, Sutton Harbour Group, declared that routes from the airfield were no longer profitable. The airport was officially opened in 1931, however, in August 2011 members of Plymouth City Council - the landowner - voted to accept the decision to close the airport.

Durham Tees Valley Airport to be sold

- 70 The majority owner of Teeside Airport, Peel Airports, announced in December 2011 that it is to sell the airport. Passenger numbers at the airport have dropped significantly, with the rolling 12-month figure for Durham Tees Valley dropping another 7,000 to 192,000, its lowest figure in more than 35 years. The Institute of Civil Engineers North East has called for more Government support for Durham Tees Valley and other regional airports, which offer valuable surplus capacity.

⁸ Aberdeen Airport - runway extension completed, <http://www.bbc.co.uk/news/uk-scotland-north-east-orkney-shetland-15838537>

Reduced domestic connections

- 71 The owner of the airline 'Bmi', Lufthansa, has addressed its loss-making activity by reducing the number of flights between Edinburgh Airport and Heathrow & Manchester Airports, however these connections will continue to be served. The changes took effect at the beginning of the Winter 2011 timetable (30 October 2011).
- 72 Since then, a deal has been agreed for IAG – International Airlines Group, formed from the merger of British Airways (BA) and Iberia – to buy Bmi.

Air quality

Funding increased for Councils to tackle nitrogen dioxide pollution

- 73 The fight against air pollution and the serious health problems it causes has been given a boost after an extra £2 million to help Councils reduce nitrogen dioxide (NO₂) emissions was announced by Environment Minister, Lord Taylor of Holbeach, in October 2011.
- 74 51 Councils across England will receive funding for a range of projects designed to reduce serious levels of air pollution in our towns and cities. Bids have been submitted for a range of projects, such as looking at introducing low emission zones, which have been successful in London, and launching public information campaigns to raise awareness of air pollution. The largest grant of £190,000 will be given to Stockport and Greater Manchester Metropolitan Borough Council to undertake research on the impact that traffic control and low emission vehicles have on NO₂ emissions.
- 75 The Government hopes that these projects will lead to significant reductions in NO₂ emissions over the next twelve months in those areas where urgent change is required. Local Authorities that receive grant funding will be required to provide the Department for Environment, Food & Rural Affairs (Defra) with a progress report by September 2012 to monitor the success of each project and how the money is being spent.

Environmental Audit Committee's (EAC) 9th Report 'Air Quality: a follow-up Volume I & II'

- 76 The Environmental Audit Committee (EAC) has published (November 2011) the latest report from their inquiries into air quality⁹. Volume I supplies the body of the report, along with formal minutes, oral and written evidence; Volume II contains additional written evidence.
- 77 The report outlines the following objectives:
- prioritise action across central Government by putting improving air quality in the Defra Business Plan, and set up a Cabinet Office lead Ministerial Group to oversee delivery of a new cross Government air quality strategy;
 - engage with Local Authority leaders clearly to set out the risks of failing to act to improve air quality, and join up thinking across Local Authority departments so they all contribute to solving this problem;
 - establish a national framework of low emissions zones to help Local Authorities reduce pollution from traffic;
 - ensure that thinking on air quality is central to public health reforms that will transfer public health functions to Local Authorities; and
 - launch a public awareness campaign to drive air quality up the political agenda and inform people about the positive action they could take to reduce emissions and their exposure to these.
- 63 In the report, the EAC accused the Government of putting thousands of lives at risk by trying to water down EU air quality rules instead of prioritising action to cut pollution on UK roads.
- 64 Dangerous levels of particulate matter (PM2.5 or PM10) and chemicals (such as NO₂) in the air are contributing to tens of thousands of early deaths every year in UK cities.

National air pollution emissions statistics

- 65 The Department for Environment, Food & Rural Affairs (Defra) has published national statistics on the emissions of air pollutants in the UK¹⁰. The statistics show that the UK has met current international targets to reduce total emissions by 2010 of four air pollutants - ammonia, sulphur dioxide, volatile organic compounds and nitrogen oxides.

⁹ Environmental Audit Committee's (EAC) 9th Report 'Air Quality: a follow-up Volume I & II' <http://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/news/air-quality-a-follow-up-report/>

¹⁰ Department for Environment, Food & Rural Affairs (Defra) - national statistics on air pollutant emissions in the UK, <http://www.defra.gov.uk/news/category/news/statistical-releases/>

London Assembly calls for an updated Air Quality Strategy

- 66 In November 2011, the London Assembly called on the Mayor to take faster and stronger action to deal with harmful air pollution. A motion agreed by the Assembly said the amount of nitrogen dioxide (NO₂) in the capital's air is higher than any other European capital city and recently published Government plans show levels may not be reduced to legal limits until 2025.
- 67 Assembly Members said Londoners should not have to wait another decade for clean and healthy air to breathe. In the absence of sufficient urgent action at national level, Members called for the Mayor to update his Air Quality Strategy to ensure that the capital's air meets legal standards for nitrogen dioxide by 2015, at the latest.
- 68 Airport operator, BAA Ltd., had earlier (October 2011) told the Assembly's Environment Committee in that only two of the monitoring sites around Heathrow currently exceed EU limits for nitrogen dioxide. However, the company hopes to improve air quality around the airport in future through encouraging cleaner aircraft, reducing plane taxiing times, promoting sustainable travel and cutting emissions from airport-based vehicles.
- 69 Assembly Members heard that the number of passengers using the airport could rise from 66 million currently to up to 95 million once redevelopment and construction is completed, and within the annual movements cap of 480,000.

Climate change

UK carbon targets to include international shipping emissions

- 70 The Committee on Climate Change (CCC) reported in November 2011¹¹ that the UK's share of international shipping could account for up to 11% of total emissions permitted under the Climate Change Act by 2050 (i.e. 18 Mt CO₂ of total 160 Mt CO₂; Mt = megatonne).
- 71 In recognition of this material proportion of emissions, and to address the implications for other sectors, the CCC has therefore recommended that the UK's share of international shipping should be included in the 2050 UK target.
- 72 The Committee also recommended that the Government should work with the European Commission to resolve uncertainties about current emissions by acquiring fuel use data from ship operators; and that the Government should support market-based approaches to reducing shipping emissions - ideally globally, but if not, at the EU level.

¹¹ Committee on Climate Change (CCC) report on international shipping emissions, November 2011
<http://www.theccc.org.uk/news/press-releases/1104-ccc-review-suggests-that-the-uks-share-of-international-shiping-emissions-should-be-included-in-climate-targets-3-nov-20>

- 73 In March 2012, the CCC will produce further advice on future aviation emissions in a report on international aviation and shipping. Under the 2008 Climate Change Act, Parliament must decide by the end of 2012 whether or not to include emissions from international aviation and shipping in domestic carbon budgets.

Rail network proposals

- 74 The Transport Secretary, Justine Greening, has approved the plans to build a high-speed rail line from London to Birmingham. On 10 January 2012, Mse Greening gave a statement approving the 'High Speed 2' scheme that in phase 1, expected to open by 2026, will connect London with Birmingham and will by 2032/33 connect with Manchester and Leeds as well as connecting to a spur to Heathrow airport.
- 75 The total project has been estimated to cost £32.7 billion and the detailed route for phase 1 has been published and will include more tunneling to ameliorate the environmental impacts of the scheme to the north and west of London and where the route runs thorough the Chilterns. There has been a 55% increase in the amount of tunneling proposed in the consultation route in light of environmental considerations. In addition additional compensation has been agreed for property owners along the route. A consultation on the phase 2 routes will begin in early 2014 with a final route chosen by the end of 2014.
- 76 As part of the overall proposals there will be connections with the existing East Coast and West Coast mainlines to serve passengers beyond the HS2 network in Edinburgh, Glasgow, Newcastle, Durham, York, Darlington, Liverpool, Preston, Wigan and Lancaster.
- 77 The impacts of High Speed 2 on aviation need to be explored in detail in order that the impacts are fully recognised. The Campaign for the Protection of Rural England (CPRE)¹² has highlighted that the Government's thinking on the predicted impact has been unclear.

¹² CPRE report: 'Getting Back on Track' February 2012

- 78 The High Speed 2 proposals were initially heralded as representing the end of domestic flights in the UK¹³. However, this assumption is based upon on the prediction that HS2 would reduce domestic passenger demand by up to 10% of the predicted growth in domestic aviation of 178% between 2008 and 2030¹⁴. This official forecasting assumed that the cost of flights would drop by 30% by 2030, despite Government commitments to increase the cost of flying to manage demand and reduce carbon emissions.
- 79 The Commons Transport Select Committee considered the impact of HS2 on domestic aviation and concluded that phase 1 is likely to be insignificant as there are no flights between Birmingham and Heathrow and there will be no direct Heathrow HS2 service. More impact is forecast for the Y network as rail would compete more effectively with aviation for journeys between Scotland, the north of England and London. Whilst this would have some carbon benefits and improve the choice of mode for passengers, the Airports Operators Association (AOA) says that the potential for HS2 to attract air passengers "should not be overestimated"¹⁵.

¹³ Lord Adonis- former Secretary of State for Transport, announcement on HS2, August 2009
<http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/5974411/High-speed-rail-plan-will-progressively-replace-short-haul-flights.html>

¹⁴ Paragraphs 2.3.37 and 4.2.32 in HS2 Ltd, High Speed Rail London to the West Midlands and Beyond, A Report to Government by HS2 Ltd, 2009

¹⁵ Transport Select Committee Tenth Report High Speed Rail 1 November 2011
<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/1185/118502.htm>

European update

European Commission releases 'airport package'

80 The European Commission (EC) published its 'airport package'¹⁶, for comment, in December 2011, covering slots; ground-handling at airports, and noise. The EC is proposing to allow airport operators to make more efficient use of their existing capacity in order to provide for a greater number of planes to use each airport; to speed up ground-handling; and to give the EC a greater role in noise management.

81 The three key legislative proposals are:

1 Airport slots - help tackle a shortage of capacity at Europe's airports
The revised slot regulation will introduce key measures including the **secondary trading of slots**, i.e. the trading of slots between airline operators across the EU. The 1993 Regulation did not provide for secondary trading of slots between airline operators, however it did not specifically ban it. Over time, the situation has evolved into a patchwork of different practices across the EU. For example, secondary trading exists in the UK, but it is banned in Spain.

2 Ground-handling - improve the quality and efficiency of ground-handling services

The package will introduce measures to:

- **ensure that airline operators have an increased choice** of ground-handling solutions at EU airports;
- give airport operators **more control over the co-ordination** of ground-handling services; and
- **clarify the legal framework** for training and transfer of staff.

and

3 Noise - to improve the transparency of the decision-making process on noise restrictions

The key measures are to:

- allow airport authorities to **phase out more easily the very noisiest aircraft**, which can account for a disproportionate amount of noise nuisance;
- **give the Commission a scrutiny role**, *ex ante*, on new noise measures, with a view to ensuring a consistency of approach across Europe; and
- include **practical steps to support the implementation of measures**, including: the clarification of the links between noise measures and airport management; the improvement of noise mapping; and administrative support to ensure the efficient use of European airspace.

¹⁶ European Commission 'airport package', Dec. 2011, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/857&format=HTML&aged=0&language=en&guiLanguage=en>

- 76 The slot issue will be the most contentious for airline and other operators, as the new proposal will require carriers to use a slot 85% of the time or risk losing access, an increase from the current threshold of 80%. The shift should enable 24 million passengers a year to pass through Europe's air transport system by 2025, the EC projects.
- 77 The slot package will also clear the way for slot trading among carriers, which is prohibited in some EU countries.

European Union Emissions Trading Scheme (EU ETS)

- 78 The EU Emissions Trading Scheme (ETS) took effect on 1 January 2012, when the allocation to airline operators covered by the scheme of 85% of permits provided them a windfall income. The region will give out about 1.6 billion metric tons of free carbon allowances to airline operators through 2020, based on data on the EU website.
- 79 Airline operators might pass on to customers the cost of carbon allowances that they receive for free, and may then use such proceeds to buy new aircraft.
- 80 The International Air Transport Association (IATA) supports emissions trading in principle, however, the trade association wants it to be run through a globally coordinated scheme operated by the International Civil Aviation Organisation (ICAO).
- 81 European Low Fares Airline Association (ELFAA) Secretary General, John Hanlon, had the guts to stand up on stage during the World Route Development Forum in Berlin (October 2011) and declare his support for the controversial scheme. Transport Secretary reports on EU Transport Council outcomes
- 82 Justine Greening, Secretary of State for Transport, has reported on the outcomes of the Second EU Transport Council of the Polish Presidency¹⁷ (Brussels, 12 December 2011):-
- **'better airports package'**, which covers slot allocation, regulation, and revisions to the current Directives on ground handling and noise, which are intended to address issues of capacity, growth, environmental concerns and competitiveness; and
 - the state of play with regards to the **aviation EU Emissions Trading Scheme (ETS)**. There had been three main developments since the June Transport Council:
 - i. the US House of Representatives had approved a Bill that would prohibit US airline operators from complying with the EU ETS;

¹⁷ Transport Secretary's report from EU Transport Council,
<http://www.dft.gov.uk/news/statements/greening-20111215>

- ii. there had been political messages against EU ETS emerging from the International Civil Aviation Organisation (ICAO) Council in November; and
- iii. President Obama had specifically raised the issue at the EU/US summit on 28 November 2011, noting the need to avoid confrontation.

Frankfurt Airport operator unveils runway 4, and High Court orders night flight ban

- 83 A new runway - the fourth - was opened at Frankfurt Airport in October 2011. The new runway is eventually expected to increase movements at the airport by 50%.
- 84 A night-flying compromise had initially been proposed by the Hesse High Court in Germany allowing the operation of 17 flights between 23:00 and 05:00. This reduction in night flights was the price imposed for allowing a new runway.
- 85 However, detractors next demanded a total night ban, and the Hesse Court passed the complaint to Germany's Federal Court in Leipzig. Prior to the High Court issuing a ruling, however, the Hesse Court decided to ban scheduled night-time flights at the airport, from 30 October 2011. The total ban will stay in effect until the German Federal Court reports its decision.
- 86 A total night flight ban would threaten Lufthansa's cargo business, the prime freight operator at the airport.

Civil Aviation Authority (CAA) publications

'2010 Passenger Survey'

- 87 The Civil Aviation Authority (CAA) has published its passenger survey for 2010¹⁸. Passengers at the following 12 airports were surveyed: Birmingham, Doncaster, East Midlands, Gatwick, Heathrow, Humberside, Leeds Bradford, Liverpool, London City, Luton, Manchester & Stansted.
- 88 The survey details: country of residence, journey purpose – business or leisure, journey type – domestic or international, gender of passengers, and characteristics of both scheduled and charter passengers.

¹⁸ Civil Aviation Authority (CAA) '2010 Passenger Survey', November 2011, <http://www.caa.co.uk/docs/81/2010CAAPaxSurveyReport.pdf>

CAA consultation on the environment

- 89 The CAA has published a consultation document on their approach to the environment and their work programme. The CAA consultation titled 'CAA and the Environment' runs until 12 April 2012. Following the consultation period the CAA intend to develop and publish a finalised programme by summer 2012.
- 90 The approach to the environment as defined by the CAA document is as follows: "The CAA will develop its existing expertise to improve aviation's environmental performance: In areas such as airspace and noise, where we have a driving role, we will promote stretching environmental outcomes and challenge industry to deliver against them; In other areas of our activity, where our function is more facilitative, we will provide evidence and objective views to inform the various debate, and serve as a forum for resolving issues"
- 91 The CAA work programme is divided into six areas of activity: Environmental Strategy, Policy; Safety and Standards; Airspace; Noise modelling and Local impacts; and Incentives and Metrics.
- 92 A summary of the consultation document and a discussion of the key issues raised are included at **Annex A** (pg.xx).

Series of 'Insight Notes'

- 93 The Civil Aviation Authority (CAA), industry representative and regulator, has submitted a series of three 'Insight Notes'¹⁹ to the Government, ahead of the consultation on the Government's draft national aviation policy.

'Aviation Policy for Consumers'

- 94 In this note, the CAA has expressed its concern that although the UK is currently extremely well-connected, this wide choice of services will be diminished by rising capacity constraints at airports in the South East, with the more limited supply of services ultimately pushing up the price of air travel.
- 95 The CAA considers that the Government needs to put the people who use airports at the heart of its thinking when it consults on its aviation policy in spring 2012.
- 96 At present, most people in the UK have excellent access to airports, with around 90% of the population living within two hours' travel of at least two airports serving international destinations and 70% within one hour of one airport. This level of choice is currently unrivalled in Europe.

¹⁹ Civil Aviation Authority (CAA) 'Insight Notes',
<http://www.caa.co.uk/application.aspx?catid=14&pagetype=65&appid=7&mode=detail&nid=2070>

'Aviation Policy for the Environment'

- 97 The note focuses on the aviation sector's role in mitigating impacts in the areas of climate change, noise and air quality. It identifies the opportunity to develop the aviation policy framework with defined outcomes for each of the environmental areas identified.
- 98 On climate change, the note recognises that the sector faces strong commercial incentives to reduce CO₂ emissions through both the cost of fuel and the changes to the European Union Emissions Trading Scheme (EU ETS). The note also recognises that climate change is a global issue and the effectiveness of any policy measures will depend on the level of global cooperation on the issue. However, in the note the CAA accepts that EU-ETS offers the 'next best solution'. The note does also suggest that technical and operation measures, such as the modernisation of UK airspace might also offer the potential to improve emissions reductions.
- 99 The note identifies that the impacts on aviation noise are often concentrated on the local population and therefore measures should address local conditions and seek to engage local decision makers. The CAA has identified a twin track approach to noise focused on two outcomes which are reducing the number of people affected by noise, and encouraging better engagement with communities over the issue.
- 100 The note also cites the approach to airspace regulation as having a significant impact on the way noise is distributed. It identifies that the decision on whether the Government should favour dispersion or concentration of flight paths is particularly important.
- 101 On air quality the note does not suggest any change to the current policy approach and cites the current legislative framework governing air quality as 'credible and robust'.

'Aviation Policy for the Future'

- 102 This is the latest of the three 'Insight Notes' published by the CAA and emphasises the need to develop a long-term aviation policy framework which ensures favourable conditions for the growth of the industry and harnesses opportunities for investment in the UK economy.
- 103 In particular the CAA advise that the future policy framework should include a policy for future additional capacity increases at major airports and that the UK has better direct access to key global markets.

- 104 There is a strong emphasis on developing the economic benefits offered by the aviation sector however the note risk underestimating the environmental impacts, in particular the impacts and number of people affected by noise from aviation activity. **Annex B (pg.xx)** of this report provides a more detailed summary of the 'Aviation Policy for the Future' Insight Note and explores the key issues the CAA highlight as necessary for inclusion in the aviation policy framework.

SIGMA - aviation environmental interdependencies network

- 105 SASIG has been contacted as an important stakeholder for a new aviation environmental interdependencies network – SIGMA Sustainable Interdependency initiatives for the **Global Mitigation of Aviation**. The invitation to be a member of the network, if it is funded, and to contribute expertise and knowledge, has been accepted.
- 106 The key points of SIGMA are:
- A network to understand the interdependency obstacles to greener aviation and stimulate new research.
 - Systematically break down the topic and characterise, define and quantify relationships.
 - Offer a route to new collaborations and a kite mark of testing and endorsement when submitting new proposals.
 - A 3-year activity programme.
 - Responding to stakeholder interdependency challenges and knowledge needs.
 - Network funding of T & S for engagement in activities but not for new research – network generated proposals a key goal.
 - Seeking funding from EPSRC (with contributions from ESRC and NERC).
- 107 An extract from the funding bid is attached at **Annex C (pg.xx)**.
- 108 The SASIG letter in support of the bidding proposal for SIGMA is also at **Annex C (pg.xx)**, in which the following points were raised:
- Thank you for your introduction to the proposal; allocation of resources to such a network is welcomed by SASIG.
 - SASIG looks forward to this network studying the interdependencies associated with aviation operations, as the remit is informed by and develops beyond that of aviation technologies.
 - Initial focus of the network on aircraft engineering and technology recognised, however, an interdependency that the network could usefully investigate is maximising the technological gain achieved by the industry when delivering the A380 aircraft.

- Encourage research into extent to which air traffic management & control and associated policy levers can supply future aircraft fleets that have less impact on overflow communities than at present.
- Develop a greater understanding of the interdependencies affecting aircraft design and the need to provide for noise reduction in concert with reduced emissions is particularly important given the new generation of aircraft will be in use for decades to come.
- Inform those policy levers necessary to bring noise and air quality management more in line with carbon emissions management.
- In recognising that neither airline operators nor airport operators can run their businesses without travelling to and from airports, use the interdependencies approach to address existing inadequate surface access conditions; provide for more reliable, efficient, cost-effective and 'cleaner' surface access travel; and support the development of integrated transport interchanges at airports.

Conclusions

- 109 In the period since submissions were made commenting on the Government's 'Scoping Document' for developing a sustainable framework for aviation, there has been considerable activity, and many issues remain live.
- 110 In developing SASIG's response to the next stage of the policy review – publication of a draft national aviation policy, due in March 2012 - these issues will inform that submission. The group's input to the previous review of national aviation policy will also inform development of comment for the current review.

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ANNEX A

CAA AND THE ENVIRONMENT - CONSULTATION DOCUMENT

Summary

The Civil Aviation Authority have published consultation document on their approach to the environment and their work programme. This documents provides a summary of the approach and work programme and provides comments to inform the development of a consultation response.

Introduction

- 1 The CAA is the national regulator, which oversees and regulates all aspects of aviation in the UK. In 2011 the Secretary of State for Transport gave the CAA chair an objective to “develop our capability to consider and advise the Department on future challenges which require policy solutions, with particular reference to the environmental impact of the aviation industry.”²⁰ In addition the CAA have a strategic objective which is “to improve environmental performance through more efficient use of airspace and make an efficient contribution to reducing the aviation industry’s environmental impacts”²¹
- 2 The CAA has launched a consultation on their role in relation to the environment. The consultation document is titled “CAA and the Environment”²² and the consultation period runs until 12 April 2012.
- 3 The consultation documents outlines the CAA’s approach to the environment and the CAA environmental work programme. Following the consultation period the CAA intend to develop and publish a finalised programme by summer 2012.
- 4 The approach to the environment defined by the CAA document is as follows: “The CAA will develop its existing expertise to improve aviation’s environmental performance: In areas such as airspace and noise, where we have a driving role, we will promote stretching environmental outcomes and challenge industry to deliver against them; In other areas of our activity, where our function is more facilitative, we will provide evidence and objective views to inform the various debate, and serve as a forum for resolving issues”

²⁰ P.8 CAA Strategic Plan 2011

<http://www.caa.co.uk/docs/1743/CAA%20Strategic%20Plan%202011-16%20v2.pdf>

²¹ P.47 of CAA and the Environment: consultation document

http://www.caa.co.uk/docs/697/CAA_and_the_Environment_Consultation.pdf

²² CAA and the environment consultation document:

http://www.caa.co.uk/docs/697/CAA_and_the_Environment_Consultation.pdf

- 5 The CAA work programme is divided into six areas of activity: Environmental Strategy, Policy; Safety and Standards; Airspace; Noise modelling and Local impacts; and Incentives and Metrics.

The CAA approach

- 6 The CAA divides its approach to the environment into two positions. For areas where it considers it has a proactive role, airspace and noise are cited as examples, it will promote stretching environmental outcomes and “challenge industry to deliver against them”.
- 7 For other areas, where the CAA considers its function is more facilitative, it will seek to inform debates and provide a forum for discussion.

Environmental Strategy

- 8 In terms of Environmental Strategy the CAA intend to develop a coherent approach to environmental issues, which will form the basis of an environmental strategy to be delivered by summer 2012. The emphasis is on maximising synergies, managing trade-offs and agreeing priorities. Subject to the draft CAA bill, the CAA intend to report on the sector’s environmental impact.

Policy

- 9 CAA intend to increase their facilitative role by improving consumer’s access to environmental information to inform their travel choices. The CAA will also look to implement environment best practice by engaging with other regulators, and other bodies with an environmental remit.

Safety and Standards

- 10 Safety is one of the key responsibilities of the CAA. As part of the work programme the CAA will seek to explore initiatives that have an environmental dimension while continuing to assess the safety implications. This work stream focuses on improving technical knowledge around biofuels and aircraft noise and emissions.
- 11 The work stream will also focus on developing guidance and standards including contributing to the development international emissions certification standards and the environmental impacts of fire-fighting foam.

- 12 In addition policy and guidance will be developed on the safety effects of renewable technologies in aviation. The CAA indicate that renewable technologies will be a priority and that policy will be developed “as much as possible mitigating aviation constraints to enable expansion of these technologies”²³.

Airspace

- 13 The CAA aim to use the Future Airspace Strategy to implement Air Traffic Management improvements that reduce emissions from aircraft and contribute to minimising aviation’s environmental impact. Improvements to meet this objective include enhanced use of flexible airspace, introduction of user preferred trajectories, technological improvements and the development of the UK/Ireland functional airspace block (FAB) to establish more economical and environmentally efficient routing to and from the North Atlantic.

Noise Modelling and local impacts

- 14 The Noise Modelling and local impacts work stream aims to ensure the CAA take a more proactive role in shaping the debate around noise. The work stream focuses on the facilitative role of the CAA in bringing together airport operators and communities and in ensuring greater transparency and understanding in the industry of the potential trade off between noise, local air quality and climate change effects.
- 15 The position of the CAA in terms of developing measures to reduce noise and local impacts is limited to seeking to provide higher quality data on noise exposure, and a more consistent application of noise modelling guidance by end users and the development of standards that optimise departure procedures for fuel efficiency.

Incentives and Metrics

- 16 The CAA will use their expertise of incentive systems such as the EU Emissions Trading System (EU ETS), the NATS flight efficiency incentive and the programme of efficiency incentives at airports. The CAA aim to use this expertise to influence outcomes for the design of incentives schemes on the national and European level.

²³ p.14 CAA and the Environment: Consultation document
http://www.caa.co.uk/docs/697/CAA_and_the_Environment_Consultation.pdf

Discussion

- 17 The CAA affirms that they will challenge industry to meet 'stretching' environmental outcomes as part of their overall approach. When setting outcomes it can be important to set incentives or penalties where outcomes are met or not met. An important question to ask of the approach is what mechanisms the CAA will have in place to encourage the industry to meet this outcomes.
- 18 On the CAA work programme, in particular the Policy strand, the CAA intends to implement environmental best practice by engaging other bodies. Of these bodies the CAA primarily list industry related groups (airlines, air navigation service providers, manufacturers). Best practice thinking should also be sought from groups who do not have a commercial interest such as non-governmental organisations, think tanks and local representative groups. In addition best practice could be sought from other industries in the transport sector such as the rail industry.
- 19 As part of its policy role the CAA want to ensure that it contributes to the global policy debate. Climate change issues need to be tackled globally and the CAA should push to expand EU-ETS and ensure compliance.
- 20 Renewable technologies are an important area of research given the environmental impacts of traditional aviation fuel. However as well as mitigating aviation constraints the CAA should also be considering sustainability constraints in its analysis on renewable technologies. Biofuels are an emerging area in aviation technology however the impacts of developing biofuels particularly on land use need to be recognised and fully accounted for in terms developing an environmentally sustainable alternative to traditional sources.
- 21 On Airspace the CAA intend to implement Air Traffic Management improvements to reduce emissions. It should also be noted that the effective use of airspace, in particular adjustments to flight patterns can also impact on noise emissions.
- 22 On noise, a proactive approach for the CAA to take would be to not only seek the "provision of higher quality (noise) data from the industry"²⁴ but also commission and/or utilise data from non-industry groups which would broaden the understanding of noise exposure and the areas exposed to noise nuisance from aviation.
- 23 In seeking to provide greater information and transparency the CAA should consider the impacts of night flights, the impacts of a night flight ban as well as the wider geographical impacts of noise from aviation which go beyond the local area and the areas where noise modelling is done.

²⁴ p.15 CAA and the Environment: Consultation document
http://www.caa.co.uk/docs/697/CAA_and_the_Environment_Consultation.pdf

- 24 The inclusion of aviation in the EU ETS was a positive step in terms of ensuring the environmental costs are accounted for by the industry and that there is a system in place aimed at reducing emissions with the aim of meeting the targets set out in the EC Directive 2003/87/EC1. The CAA should continue to contribute to the development of the EU ETS and other incentives schemes by assessing the progress of the schemes in reducing overall emissions and putting in place measures to ensure that the scheme is not circumvented or manipulated so that it no longer meets its objectives. Similarly as a regulator the CAA should be assisting in developing procedures to ensure that the EU ETS is adhered to by the industry.
- 25 Climate change is a global issue that requires addressing on a global scale. With its expertise in developing incentives and metrics the CAA should contribute to the debate for a global emissions trading system or a similar scheme to reduce aviation's contribution to carbon emissions globally.

Conclusions

- 26 The Civil Aviation Authority (CAA) consultation explains the CAA approach to the environment and the work programme areas. The six work programme areas are: Environmental Strategy; Policy; Safety and Standards; Airspace; Noise modelling and local impacts; and Incentives and Metrics.
- 27 There are six questions asked in the consultation and responses are required by 12 April 2012. The CAA intend to develop and publish a finalised programme by summer 2012.
- 28 Important areas for consideration in responding to the consultation include the types of mechanisms the CAA will have to encourage the aviation sector to meet the environmental outcomes it sets and the importance of engagement with a wide range of stakeholders in developing environmental best practice.
- 29 In addition the CAA should continue to support the development of international mechanisms for reducing emissions, in particular the EU ETS.
- 30 Improving environmental performance of the sector through the development of renewable technologies is an interesting element of the work programme but the sustainability impacts of technology, such as biofuels, needs to be fully accounted for in recommending solutions.
- 31 Regarding the noise work area, the CAA should seek to utilise data from non-industry groups in order to broaden understanding of noise exposure and the areas exposed to noise nuisance from aviation.



STRATEGIC AVIATION SPECIAL INTEREST GROUP
of the Local Government Association

Consultation questions:

- 1) Do you think we have identified our strategic fit and our relationship to the environmental debate correctly? (see: pages 7-15)
- 2) Does the CAA's proposed approach to environmental issues reflect your impression of our capability and role? (see: pages 11-15)
- 3) In terms of the proposed future activities, desired outcomes and interim markers (see: pages 16-44):
 - (a) Do you agree with the scope and focus of our proposed workplan?
 - (b) Do you think the workplan will add significantly to your costs and, if so, please provide details?
 - (c) What do you perceive to be the key benefits from the CAA developing its environmental work?
 - (d) Are there any other areas that we have not identified where you think the CAA could be more active?

ANNEX B

POLICY UPDATE: CIVIL AVIATION AUTHORITY ON THE FUTURE OF AVIATION POLICY

Summary

This Policy Update provides a summary and analysis of the CAA 'Aviation Policy for the Future' Insight note. The CAA Insight note focuses on how a national aviation policy framework should develop and advise that it should include policy for additional capacity for the major airports and improvements to UK connectivity. The emphasis of the note is on ensuring that economic benefits from the aviation sector are fully realised by ensuring the UK maintains direct access to key global markets. The note does not adequately explore the environmental impacts associated with proposed airport expansion and although it recognises noise as a growing concern it does not consider the full extent of the impact of noise and in the same way it risks underestimating the environmental impacts of aviation while seeking to maximise the economic case for airport expansion.

Introduction

- 1 The CAA recently published an Insight note 'Aviation Policy for the Future'²⁵. The note is the final edition of three insight notes²⁶ published by the CAA. 'Aviation Policy for the Future' follows the publication of the CAA's response to the Department for Transport's Aviation Policy Framework consultation.

Key Points

- 2 The CAA's 'Aviation Policy for the Future' note calls upon the government to develop a long term aviation policy framework with the following characteristics:
 - robust and flexible;
 - focuses on the needs of consumers;
 - ensures UK's high levels of connectivity are improved;
 - addresses existing and future capacity constraints;
 - and considers the environmental issues associated with possible airport expansion.

The overall emphasis of the Insight note is focused on ensuring that favourable conditions exist for growth in the aviation industry and harnessing of the opportunities to increase investment leading to growth in the UK economy. The

²⁵ CAA: Aviation Policy for the Future (11 January 2012)

http://www.caa.co.uk/docs/589/CAA_InsightNote3_Aviation_Policy_For_The_Future.pdf

²⁶ CAA: Aviation Policy for Consumers (14 December 2011)

http://www.caa.co.uk/docs/589/CAA_InsightNote1_Aviation_Policy_For_The_Consumer.pdf

CAA: Aviation Policy for the Environment (20 December 2011)

http://www.caa.co.uk/docs/589/CAA_InsightNote2_Aviation_Policy_For_The_Environment.pdf

consideration of environmental impacts is limited and additional capacity expansion is considered as the long-term solution to deliver significant benefits to consumers. This reaffirms the position in the Insight note 'Aviation Policy for the Consumer' where the case for airport expansion is presented as vital otherwise "choice, value and resilience are all likely to be affected"²⁷

- 3 The Insight note identifies the need for a long-term aviation policy framework that is "robust" as well as "flexible". According to the CAA, a long-term policy framework would provide greater certainty to the aviation industry and send strong investment signals. The aviation industry is no different from other large-scale industries in that it performs better under stable regulatory conditions. Developing a "robust" framework is reliant on policy stability, which in turn will give confidence to the aviation industry. The CAA also notes that the development of a National Policy Statement for Aviation "may help build long term confidence". However the development of a policy framework must take a range of issues into account, in particular sustainability, if it is to be robust and long term. The climate change impacts of aviation for example have already been highlighted by the DfT forecasts which show that unless new methods are introduced no new runways should be built in the South East until 2050. The development of a National Policy Statement for Airports will require consideration of the entire spectrum of impacts of aviation, not just the benefits to industry confidence.
- 4 The CAA indicates that future aviation policy should focus on the consumer with the aim of securing "choice and value in aviation services". The CAA suggests that the framework should set as a policy outcome that the levels of aviation connectivity that UK consumers currently enjoy are at least maintained. The Insight note recognises that currently most people in the UK have excellent access to airports²⁸. The CAA uses the case for consumer choice to put the case for hub operations from a UK airport. For medium and long haul routes the CAA argue that consumers should have access to direct services from the UK to key global markets. It recognises that some of the routes might only be commercially viable if operated from a hub airport and calls upon the government to facilitate this in order to maintain and improve choice and value for consumers. Safety is highlighted as the key priority and responsibility of the CAA. There is little focus on safety in the insight note other than a recognition that the policy framework should refer to the State Safety programme²⁹ as the primary source of UK aviation safety policy.

²⁷ p.38 CAA: Aviation Policy for the Consumer
(2011) http://www.caa.co.uk/docs/589/CAA_InsightNote1_Aviation_Policy_For_The_Consumer.pdf

²⁸ CAA statistics-Approximately 90% of the population live within 2 hours travel of at least 2 airports serving international destinations and 70% within 1 hour of an airport.

²⁹ State Safety programme- this document is produced by CAA on behalf of DfT and in conjunction with other UK organizations in response to an ICAO requirement.
<http://www.caa.co.uk/docs/33/CAP784.pdf>

- 5 The insight note prioritises that maintaining existing levels of connectivity, in particular single stop over access to key global markets should form a key element of the aviation policy framework. The CAA does not consider that any specific intervention is required to maintain existing levels of short haul connectivity. Currently UK aviation consumers benefit from very high levels of connectivity on short haul routes. The CAA consider that in order to improve consumer choice and deliver wider benefits to the UK economy the government needs to either maintain single stop over access to key global markets by supporting access to a UK hub airport from across the UK, or, secure short haul access to the network of hubs across Europe. The emphasis from the CAA is that capacity constraints are likely to lead to short haul routes being replaced by higher yielding long haul services or higher fares on these routes. The CAA does not consider that regional airports will be able to develop into hub and spoke airports or have the commercial capacity to manage such operations.
- 6 In order to address existing and future capacity constraints the CAA suggests measures to enable better use of existing capacity including regulatory approaches, operational approaches and Intermodality. Ultimately however the CAA considers that implementing measures to maximise the use of existing airport capacity will not have sufficient impact to represent a long term solution to the consumer and economic costs of capacity constraints.
- 7 As previously highlighted the CAA Insight note seems to indicate that airport expansion is vital for the UK consumer and the wider economy. The note makes reference to national and local environmental impacts including climate change, air quality and noise. The note considers that climate change outcomes should be framed in such a way that emissions reductions are maximised while technical improvements in making aircraft and surface transport more efficient should reduce 'carbon leakage'. The CAA considers the EU Emissions Trading Scheme to offer an interim solution to promoting a global solution for the aviation sector.
- 8 With regard to noise, the insight note recognises that noise nuisance from aviation is a growing concern and an issue which has had a significant impact on previous proposals to increase runway capacity. A twin approach involving reducing the number of people affected and improving the consultation with affected communities is identified as a prerequisite for development of a long-term aviation policy.

- 9 Some of the measures suggested to implement this approach include:
- a. Council tax relief for local residents
 - b. A UK airport wide cap and trade system for noise (similar to EU ETS)

The insight note fails to address the issue of wide ranging impacts of noise adequately. In particular it does not consider the impacts of aviation on people who do not live near airports but are affected by aircraft noise. Noise compensation is a controversial measure because of the difficulty in measuring which areas are affected by aviation noise, part of the wider issue of quantifying and measuring levels of aircraft noise.

Conclusions

- 10 The Insight note 'Aviation for the Future' is the 3rd edition of a three part series of Insight notes published by the CAA. The Insight note focuses on key elements to be considered as part of the development of an aviation policy framework.
- 11 Maximising the economic benefits of aviation is a key theme of the Insight note and in particular the note emphasises the importance of ensuring access to key global markets.
- 12 The CAA indicate that the aviation policy framework needs to be robust and flexible, focus on the needs of consumers, ensure that levels connectivity are maintained and improved, address capacity constraints while at the same time consider environmental impacts.
- 13 Overall the emphasis the document places on securing economic benefits from aviation within the aviation policy framework is given greater emphasis over other impacts, such as environmental noise and climate change, which are likely to have a long term impact on aviation and should be fully considered in the development of a sustainable, long term strategy for aviation.



STRATEGIC AVIATION SPECIAL INTEREST GROUP
of the Local Government Association

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ANNEX C

SASIG letter of support - SIGMA Aviation Environmental Interdependencies Network



STRATEGIC AVIATION SPECIAL INTEREST GROUP
of the Local Government Association

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3 October 2011

Dear Roger,

SIGMA Aviation Environmental Interdependencies Network

Thank you for your introduction to the proposal being prepared for an academic network to investigate interdependencies in the aviation sector – SIGMA. The allocation of resources to such a network is welcomed by SASIG.

The initial focus of the network on aircraft engineering and technology is obviously a vital element for the continuing evolution of the aviation sector. In concert with technological and operational development, policy and regulatory measures are essential for the effective and equitable functioning of the sector.

An interdependency that the network could usefully investigate is the extent to which air traffic management & control and associated policy levers can maximise the technological gain achieved by the industry when delivering the A380 aircraft. The aircraft fleets of the future must have less impact on overflowed communities than at present, requiring technological, operational, policy and regulatory measures to be combined to achieve this.

A greater understanding of the interdependencies affecting aircraft design and the need to provide for noise reduction in concert with reduced emissions is particularly important given the new generation of aircraft will be in use for decades to come.



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The extent of carbon's influence on the global climate, along with the ease with which carbon has been monetised and therefore applied as a market mechanism, has resulted in carbon driving the direction of measures to stabilise global climate change. The goal of 'sustainable aviation' requires that social and economic measures be employed alongside environmental measures. Moves towards monetisation of noise and air quality are also needed in order for these environmentally and socially damaging impacts to be effective drivers too. An interdependencies approach has the potential to inform those policy levers necessary to bring noise and air quality management more in line with carbon management.

Neither airline operators nor airport operators can run their businesses without travelling to and from airports via one or other of the available surface access modes. The communities travelled through, journey times and associated reliability, emissions produced, and the quantity of trips made are all integral features of the aviation sector's activity. An interdependencies approach to this relationship would be of value to address existing inadequate surface access conditions; provide for more reliable, efficient, cost-effective and 'cleaner' surface access travel; and support the development of integrated transport interchanges at airports.

SASIG looks forward to this network studying the interdependencies associated with aviation operations, as the remit is informed by and develops beyond that of aviation technologies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anna Mahoney', written over a faint horizontal line.

Anna Mahoney, SASIG Director

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**Extract from SIGMA funding bid**

**(SIGMA Aviation Environmental Interdependencies Network)**

"This network assembles a group of academics from diverse specialisms to define, reconcile and research environmental interdependencies that are increasingly compromising the delivery of greener aviation. We will take an independent systems level view, quite different from the focused perspectives of the aviation sector or government analysis. Involving the best academics in the area, this network will define and chart the direction for future research that liberates industrial, commercial, and operational innovation. One new aircraft type already carries lifelong fuel burn penalties in order to meet noise rules. Without clarity on these environmental trade-offs and how to resolve them, scope for both new product commercialization and air transport growth is restricted. Both the environment and the UK economic position suffer as a result. Through detailed definition and mapping of interdependencies with the aviation sector, obstacles to progress will be characterised and, where possible, quantified. This will lead to the prioritisation of new research. The proposed SIGMA network (**S**ustainable Interdependency initiatives for the **G**lobal **M**itigation of **A**viation) will provide a forum, strategy and tools to getting to grips with interdependencies. No other UK activities bring this breadth of engagement or independent objectivity. Other countries are moving ahead with this and if we do not take action, UK plc will be the main loser. The aviation sector is very important for UK and we have to be sure that UK RD&D remains strong and within top 3 globally. The proposed network is strongly endorsed by leading stakeholders, as shown in their letters of support."