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Central Government and Agencies

Defra – Statistics on air pollutant emissions

15 December 2011

The Department for Environment, Food & Rural Affairs (Defra) has published national statistics on the emissions of air pollutants in the UK. 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.

The full release can be found at: <http://www.defra.gov.uk/news/category/news/statistical-releases/back-to-top>

Civil Aviation Authority (CAA) promotes passengers' interests as focus for aviation policy

14 December 2011

The UK Civil Aviation Authority (CAA) has expressed its concern* to the Government that although currently the UK is extremely well-connected, that situation is changing and will not last without a robust aviation policy setting out clear objectives for the future. 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.

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.

The CAA has expressed concerns, from its position as industry representative and regulator, that 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.

Consumers who do not live in the south of the country already have to use a variety of hub airports to travel internationally, and the CAA has set out the importance for UK consumers of maintaining a good network of European transfer airports. Although other European airports are competitors for the industry, for consumers they increase choice and value.

The CAA also re-emphasised its message that when setting objectives for aviation, the Government must be mindful that a privatised aviation industry will deliver solutions better if Government sets high-level objectives and allows industry to use its own innovation meet those objectives. The CAA warned the Government away from getting involved in detailed investment blueprints.

* This opinion came in a CAA 'Insight Note' – 'Aviation Policy for Consumers', which follows publication of the CAA's [response](#) to the Department for Transport's aviation policy framework consultation (Mar.-Oct. 2011). Two further 'Insight Notes' will be published in January 2012: 'Aviation Policy for the Environment', and 'Aviation Policy for the Future'.

<http://www.caa.co.uk/application.aspx?catid=14&pagetype=65&appid=7&mode=detail&nid=2070>
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Westminster Committees

Transport Select Committee hears from CAA and Aviation Minister on draft Civil Aviation Bill 13 December 2011

The Transport Select Committee has heard from the following witnesses as part of their inquiry on the draft Civil Aviation Bill:

- Civil Aviation Authority (CAA) Chair, Dame Deirdre Hutton;
- CAA Chief Executive, Andrew Haines; and
- CAA Group Director - Regulatory Policy, Iain Osborne.

Flexibility to regulate more airports is not about increasing regulation, but to improve existing regulation, the Civil Aviation Authority (CAA) has said. When asked about the need for the new regulation, Dame Deirdre said the premise was that competitive markets served consumers well, but the regulatory market was outdated.

On information publication by airline operators for consumers, Mr Haines said airline operators had incentives to compete and this could be improved by concealing the nature of the product, so there was a need for transparency. He added the benefit of the use of the powers had to outweigh costs and that informed consumers led to less regulation.

Mr Osborne clarified that the role of the CAA was to make clear what was expected of the airport operator when the market would not provide discipline. He cited the disruption experienced during the previous winter, due to severe weather conditions, as an instance when there was widespread confusion because people did not know who was responsible.

When asked about environmental clauses, Mr Haines said he would not object to an environmental clause, but powers were suitable as they stood.

Dame Deirdre said she would ensure there was clarity in the CAA's role in relation to the Secretary of State.

Reducing the cost of regulation

According to Theresa Villiers, the Aviation Minister, the draft Civil Aviation Bill would not add new regulation, but would reduce the costs of regulation.

The Transport Select Committee also heard from:

- Department for Transport Minister of State, Theresa Villiers;
- Department for Transport Director of Aviation, Jonathan Moor; and
- Department for Transport Airport Economic Regulation Policy Manager, Robert Catherall.

On the need for the new legislation, Theresa Villiers said passengers would benefit the most due to the proposed licence conditions.

When asked about the costs of reform, Ms Villiers said it would reduce costs for airport and airline operators, adding that the current system distorted airport competition.

Defending the importance of removing politics from regulatory decisions, Ms Villiers said this would allow a broad appeal process for regulations, which was more transparent and open.

.....continues.....!

Acknowledging that references to environmental regulation had been removed, Ms Villiers said the Bill was about economic regulation, and to take action on aviation, the whole industry needed to be considered. She said a focus on environment regulation would potentially distort the picture.

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/inquiries/parliament-2010/draft-civil-aviation-bill-pre-legislative-scrutiny/>
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Transport Select Committee hears from Transport Secretary on the Autumn Statement

14 December 2011

Transport Secretary, Justine Greening, has been questioned by the Transport Select Committee (TSC) on the Government's Autumn Statement.

Regarding the national aviation policy review, Ms Greening said the Government is looking at responses supplied by the call for evidence ('Scoping Document' published in March 2011). By March 2012, a draft strategic framework for aviation would be published, an aspect of which was capacity. Ms Greening said the Department is considering the role of a hub airport and its relation to capacity; she said it would not be right to pre-empt this process and saw this as a key part of the debate and discussion that had to happen over the coming months. This was not a quick or easy question, but it was an important one, she added.

Conservative MP for Splethorne, Kwasi Kwarteng, said the aviation industry was under significant pressure from air passenger duty and suggested the Government was not doing enough; he asked what Ms Greening would say to reassure the industry. In response, Justine Greening said that in the national infrastructure plan aviation had a key role. She was in no doubt of the importance of the aviation sector, but felt it was vital to create a strategy that withstood the test of time.

TSC Chairman, Louise Ellman, asked if Ms Greening would explore the 'Boris Island' airport scheme. Ms Greening said she was looking at all proposals through the call for evidence; however, she said the London Mayor did not propose a Thames estuary airport directly, but a new hub airport. Mr Kwarteng said this was a massive strategic issue and that Ms Greening was "flannelling". MsGreening responded by stating she should not anticipate a process which was already underway and it was incumbent on the Select Committee to have some details behind questions.

Conservative MP for Blackpool and Cleveleys, Paul Maynard, asked if it had always been Government policy that the UK required a hub airport, and if seats or destinations were a greater priority. Ms Greening said this was something the CBI had raised with her. She said the market had often decided on the latter issue and people had had a concern about whether or not Heathrow could serve enough destinations. Slot allocation was another issue, she said. Another approach was to allow the market to decide what this mix should be.

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news/autumn-statement---sos---witness-session/>
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Transport Secretary makes statement on outcomes of the Second EU Transport Council

15 December 2011

Justine Greening, Secretary of State for Transport, has reported on the outcomes of the Second EU Transport Council of the Polish Presidency in Brussels on 12 December 2011.

Of particular interest to the SASIG membership was a presentation of the new proposals on a **'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.

The Commission reported on the **European Aviation Safety Management System** and **air cargo security action plan**. Ms Greening expressed strong support of the European Aviation Safety Management System and requested that the Commission report back on progress at a future meeting.

The Commission reported on the current state of play with regards to the **aviation EU Emissions Trading Scheme (ETS)**. There had been three main developments since the June Transport Council:

- the US House of Representatives had approved a Bill that would prohibit US airline operators from complying with the EU ETS;
- there had been political messages against EU ETS emerging from the International Civil Aviation Organisation (ICAO) Council in November; and
- President Obama had specifically raised the issue at the EU/US summit on 28 November 2011, noting the need to avoid confrontation.

The Commission's assessment was that while international opposition was strong, so was the EU response. The Commission acknowledged there still could be a challenge in ICAO under the Chicago Convention, and that it was important to understand what forms retaliatory action could take. Following a legal challenge from the US Air Transport Association and 3 US airline operators the European Court of Justice will deliver its judgement on the case on 21 December 2011.

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House of Commons Questions

Chapman, J. - Teesside Airport

14 December 2011

Jenny Chapman (Lab; Darlington): This morning we learned that the Teesside airport is up for sale and it seems that, as unemployment is sky-rocketing in the north-east, our planes may be grounded. Is not the loss of infrastructure and jobs in the north-east further evidence that this Government's economic plan is a catastrophic failure?

David Cameron (Prime Minister): The key thing about the future of Durham Tees Valley airport, which is a vital airport, is not necessarily who owns it but whether it is being invested in and expanded. Is it working well? That is the key question, and that is the question that I know my right hon. Friend the Transport Secretary is looking at carefully.

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Gardiner, B. - National Planning Policy Framework and low carbon transport infrastructure

13 December 2011

Barry Gardiner (Lab; Brent North): To ask the Secretary of State for Communities and Local Government how he proposes that the National Planning Policy Framework will deliver a low carbon transport infrastructure.

Greg Clark (Planning Minister): The draft National Planning Policy Framework confirms the important role planning has in tackling climate change and making the transition to a low carbon economy. The draft Framework states that developments that generate significant movement should be located where the need to travel will be minimised and the use of sustainable transport modes can be maximised.

It also states that planning strategies should protect and exploit opportunities for the use of sustainable transport modes for the movement of goods or people, and that developments should, where practical, incorporate facilities for charging plug-in and other ultra-low emission vehicles. The consultation on the draft Framework ended in October and we are considering all the suggestions that have been made as part of the consultation.

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Goldsmith, Z. – Defra reviews of EU Directives on air quality and national emissions ceiling

13 December 2011

Zac Goldsmith (Con; Richmond Park): To ask the Secretary of State for Environment, Food and Rural Affairs (1) for what reason her Department plans to conduct a review of the implementation of the EU ambient air quality directive;
(2) for what reason she plans to review the implementation of the EU national emissions ceiling directive.

Richard Benyon (Defra Minister): In March, the European Commission published their Staff Working Paper on the implementation of EU air quality policy and preparations for their comprehensive review. The paper makes clear that proposals to revise ambient air quality and national emission ceilings legislation are expected in 2013. Existing legislation includes provisions for such reviews.

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Goldsmith, Z. – Rail link between Gatwick and Heathrow

13 December 2011

Zac Goldsmith (Con; Richmond Park): To ask the Chancellor of the Exchequer what consideration he gave to the inclusion of a high-speed rail link between Gatwick and Heathrow airports in his National Infrastructure Plan.

Danny Alexander (Treasury Minister): The National Infrastructure Plan 2011 sets out the Government plans to publish a consultation on their aviation strategy in March 2012. This will consider all the options for maintaining the UK's international aviation hub status, with the exception of a third runway at Heathrow.

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Donohoe, B.; & Smith, H. – New Air Passenger Duty (APD) rates – advice to airline operators
12 December 2011

Brian Donohoe (Lab; Central Ayrshire) and Henry Smith (Con; Crawley):

To ask the Chancellor of the Exchequer when airlines were informed of the new air passenger duty rates applicable from 1 April 2012.

Chloe Smith (Economic Secretary): Budget 2011 announced that air passenger duty would be frozen for 2011-12 and the RPI increase assumed in the Office for Budget Responsibility's (OBR) forecast would be implemented from 1 April 2012.

The Autumn Statement of 29 November confirmed the rates for 2012-13. The published rates are available on the HM Treasury website at: www.hm-treasury.gov.uk/as2011_documents.htm

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Donohoe, B.; Smith, H.; & Maynard, P. – Simplification of Air Passenger Duty (APD) regime
12 December 2011

Brian Donohoe (Lab; Central Ayrshire), Henry Smith (Con; Crawley) and Paul Maynard (Con; Blackpool North and Cleveleys):

To ask the Chancellor of the Exchequer which of the changes to air passenger duty announced in the Government response to the consultation on the reform of air passenger duty are intended to achieve greater simplification of the system.

Chloe Smith (Economic Secretary): The Government consultation on Air Passenger Duty (APD) emphasised a number of objectives, including fairness and the need to maintain revenues from the aviation sector. It is right that the aviation sector makes a fair contribution to the public finances. The Government considered changes to the APD banding structure, alongside the base case of no change. A revenue neutral change would have required those flying to band A and band B destinations (91% of passengers) to pay more. The Government therefore decided to retain the existing four APD distance bands.

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Donohoe, B.; Smith, H.; & Maynard, P. – Costs of Air Passenger Duty (APD) consultation
12 December 2011

Brian Donohoe (Lab; Central Ayrshire), Henry Smith (Con; Crawley) & Paul Maynard (Con; Blackpool North and Cleveleys):

To ask the Chancellor of the Exchequer what the cost to the public purse was of the consultation on the reform of air passenger duty; and if he will estimate the number of hours officials in his Department have been engaged in the consultation.

Chloe Smith (Economic Secretary): The Government regularly consult on a wide range of issues. The cost of public consultation is accounted for within annual departmental budgets, which are published and available online. No separate estimates are available for the cost of the air passenger duty consultation.

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Donohoe, B.; Smith, H.; Maynard, P.; & Freer, M. – Reform of Air Passenger Duty (APD)
13 December 2011

Brian Donohoe (Lab; Central Ayrshire), Henry Smith (Con; Crawley), Paul Maynard (Con; Blackpool North and Cleveleys); and Mike Freer (Con; Finchley and Golders Green):

To ask the Chancellor of the Exchequer:

- (1) how many of the 140 responders to the Government's consultation on the reform of air passenger duty who commented on the banding structure supported (a) the retention of a four band structure, (b) a three band structure and (c) a two band structure;
- (2) how many of the 70 responders to the Government's consultation on the reform of air passenger duty who commented on class of travel supported (a) premium economy passengers to be liable for reduced rate and (b) premium economy passengers to remain liable for standard rate;
- (3) how many of the 70 responders to the Government's consultation on the reform of air passenger duty who commented on class of travel supported seats with 40 inch seat pitch and less being liable for the reduced rate.

and

How many of the 140 responders to the Government's consultation on the reform of air passenger duty who commented on the banding structure called for (a) the retention of a four band structure, (b) a three band structure and (c) a two band structure.

Chloe Smith (Economic Secretary): The Government decided not to change the air passenger duty (APD) bands as doing so would lead to an increase in APD for 91% of passengers.

The APD consultation received 136 responses to the question on banding structure. Of this total, 77 supported a move to two distance bands, eight supported retaining the existing four-band structure and a further eight advocated moving to a three-band structure. A further 43 discussed the question and suggested other alternatives.

Supporters of the two-band option argued that it would generate fewer anomalies and be simpler for passengers to understand and airlines to administer. Those in favour of the current four-bands or a system based on more distance bands argued that it would be fairer.

However, there was no agreement on the composition of these bands. The APD consultation received 70 responses to the question on class of travel. Of this total, 54 supported a reclassification of premium economy while 11 favoured retaining the existing rules.

Most of those who wanted premium economy to be taxed at the reduced rate advocated the use of a 40-inch seat pitch definition.

The Government considered this evidence carefully. A revenue neutral change to the current banding structure would have required those flying to band A and band B destinations (91% of passengers) to pay more. The Government therefore decided to retain the existing four APD distance bands. It was clear from consultation responses on class of travel that premium economy products vary significantly between airlines.

Any attempt to define premium economy for taxation purposes would increase the complexity of the tax, increasing the burdens for both industry and HMRC. A definition based on seat pitch would inevitably discriminate between similar products offered by different airlines.

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Donohoe, B.; Smith, H.; & Maynard, P – APD charges for passengers to Caribbean and Hawaii
12 December 2011

Brian Donohoe (Lab; Central Ayrshire), Henry Smith (Con; Crawley) & Paul Maynard (Con; Blackpool North and Cleveleys):

To ask the Chancellor of the Exchequer what estimate he has made of the likely amount of air passenger duty paid per passenger journey to (a) the Caribbean and (b) Hawaii following implementation of his planned reforms to air passenger duty.

and

To ask the Chancellor of the Exchequer whether he proposes that passengers from UK airports flying to the Caribbean will pay more air passenger duty (APD) than passengers flying to Hawaii following his planned reform of APD.

Chloe Smith (Economic Secretary): Air passenger duty (APD) rates for 2012-13, which take effect from 1 April 2012, were published at the Autumn Statement.

The rates are set out in Table 1 of the document entitled 'Tables Confirming Tax and Tax Credit Rates and Thresholds for 2012-13', which is available on the HM Treasury website at: http://www.hm-treasury.gov.uk/as2011_documents.htm

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House of Lords Questions

Spicer - Airport capacity (Heathrow)

12 December 2011

Lord Spicer (Con): To ask Her Majesty's Government what assumption they make about capacity levels at peak times at Heathrow Airport when forming their transport plans.

Earl Attlee (Lords Government Transport Spokesman): My Lords, Heathrow Airport's annual capacity is capped at 480,000 air transport movements, and the Department for Transport's latest aviation forecasts assume there will be no increase in runway capacity to 2050. The Government do not make detailed assumptions about the airport's capacity levels at peak times. This is a matter for the airport operator.

Lord Spicer (Con): My Lords, my Question came with the bias of a former Aviation Minister. Given that Heathrow Airport is now effectively full at peak times, what is to be done about that while we wait 20 years for a new airport to be built in the Thames?

Earl Attlee (Lords Government Transport Spokesman): My Lords, the short answer is that the South East Airports Taskforce, chaired by my right honourable friend Theresa Villiers (Transport Minister), determined that there should be operational freedoms for Heathrow Airport to enable the airport to recover quickly from disruptions to operations.

Lord Soley (Lab): According to the Written Answers I have received from Ministers, when the Chinese Government, the Chinese civil aviation authority and the Chinese airlines have asked repeatedly for more landing slots at Heathrow they have been told that their views will be taken into consideration by the review. Is this not deeply embarrassing and totally hopeless, in view of the economic need of this country to relate to China and other countries of that nature?

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Kennedy of Southwark – Airport capacity (London airports)

8 December 2011

Asked by Lord Kennedy of Southwark (Lab) - To ask Her Majesty's Government what discussions they have had with the aviation industry regarding capacity at airports around London in the past six months.

Earl Attlee (Lords Government Transport spokesman): The Government have regular discussions with the aviation industry and other stakeholders on a range of aviation issues.

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