

THE FUTURE OF AIR TRANSPORT – DfT PROGRESS REPORT

Introduction

1. On 14th December, the DfT published a progress report on the Air Transport White Paper¹. The Progress Report fulfils a commitment given in the White Paper to report on progress made in implementing the Government's policies and proposals by the end of 2006. It also reaffirms the Government's commitment to the strategy set out in the White Paper:

“to support the development of the aviation sector across the UK, predominantly through making the best use of existing capacity, and ensuring where new capacity is required its provision is in line with environmental obligations.”

The Government believes that its strategy strikes the right balance between economic, social and environmental goals.

2. Mr. Jonathan Sharrock, Head of Airports Policy, DfT, is to attend the Business Meeting and will present in more detail the progress to date, the programme of action and key issues that need to be addressed. By way of background information, this paper highlights the key points in the Progress Report and suggests key areas on which consultative committees will need to keep an eye.

The Progress Report

3. The report specifically provides an update on progress made in addressing climate change, local environmental challenges and surface access and also on what the Government is doing to ensure that the UK has the airport capacity it needs to enhance its economic performance. Since the publication of the White Paper, the Stern Review² and the Eddington Study³ have emerged. These authoritative reports reinforce the stance taken up in the Air Transport White Paper that the aviation industry must fully meet its environmental costs.
4. In tandem with the publication of the Progress Report, the DfT announced a new mechanism to help inform decisions on major increases in aviation capacity. The 'emissions cost assessment' will consider whether the aviation sector is meeting its external climate change costs. The Government is expected to consult on the development of this new mechanism in the first half of 2007.
5. The demand for air travel has continued to grow strongly. Given the contribution that carbon emissions from air transport make to climate change, the Government recognises the importance of understanding how demand is likely to evolve and how it will react to measures to reflect the costs of climate change, as well as other changes to the industry cost base. The White Paper forecast air travel demand to reach 228 million passengers per annum by 2005 and this proved to be accurate. Updated forecasts are given in the Progress Report and the Government has advised that the new forecasts remain fully in line with those given in the White Paper. The Government will however publish a more detailed technical note on the methods and results in 2007.

¹ <http://www.dft.gov.uk/about/strategy/whitepapers/air/aviationprogressreportsection/?view=Standard>

² See [Treasury website](#)

³ <http://www.dft.gov.uk/about/strategy/eddingtonstudy/>

6. The other key areas of progress since the publication of the White Paper include:
- Progress within Europe on including aviation in the EU emissions trading scheme (ETS) - This is the Government's preferred way of introducing incentives in relation to carbon emissions from aviation through a well-designed ETS. On 20th December, 2006 the EU's Environment Commissioner announced proposals to include airlines in the ETS. It is planned to include flights within the EU from 2011 and all flights in and out of the EU a year later.
 - Royal Assent of the Civil Aviation Act, strengthening powers over the control of aircraft noise and local air quality. Details of the new powers are given in a separate paper considered elsewhere on the agenda.
 - Industry progress in reducing the noise of the airline fleet and in addressing local air quality issues - the Government welcomed the aviation industry's Sustainable Aviation Strategy⁴ launched in July 2005, as it put down a marker of the industry's commitment to address its environmental impacts. The Strategy sets out 8 goals and 34 commitments on sustainability issues such as climate change, noise, local environmental impacts, and social and economic development. The first progress report⁵ on delivering the strategy was published on 7th December. A summary of the key areas of progress made by the industry is summarised in Annex A.
 - Improvements to passenger facilities at airports across the UK.
 - Establishment of better dialogue between local communities and airport developers as a result of the publication, for the first time and after local consultation, of airport 'master plans'. These documents provide a basis for ensuring that measures to address noise, air quality, impacts on biodiversity and heritage, and issues of blight are properly considered, clearly set out and taken forward in an open and inclusive way.
7. Committees will also be interested to note that since publication of the White Paper, some airport operators have, after detailed analysis, decided that there is not sufficient justification to take forward the development proposals in the timescale envisaged in 2003. For instance, the White Paper suggested that at Birmingham and Edinburgh new runways may be needed around 2016 and 2020 respectively. The airports now believe new runways will not be needed before 2020 at the earliest, as a result of making better use of their existing capacity. At Bristol and Leeds-Bradford Airports runway extensions were supported in the White Paper, but the airport operators currently have no plans to take this forward.
8. Of particular interest to consultative committees is that the Progress Report commences by saying that climate change is the biggest single issue that we face. The Government has stated that it is committed to responding effectively to the threats and challenges that climate change poses and recognises that it must act now to mitigate the environmental impacts and to prepare for future sustainable economic growth.
9. The Progress Report also advises that NATS has made good progress in developing new airspace designs for existing traffic levels in the South East and is on target to implement these changes in 2009. However, this will only go so far in supporting longer-term capacity, particularly at Stansted and Heathrow. The Government will therefore consider, with the CAA and NATS, the impact of forecast growth on the South-East airspace as a whole in the period up to 2030.

⁴ <http://www.sustainableaviation.co.uk/>

⁵ <http://www.sustainableaviation.co.uk/doc/report06final.pdf>

Programme of Action

10. The Progress Report also sets out an updated programme of action across a number of areas. The Government anticipates work being taken forward in the following areas over coming years:

Climate Change:

- Launch of a Government scheme for offsetting all official flights and the Government will shortly be bringing forward proposals to make it simpler for air passengers to offset the carbon emissions arising from the flights that they take by setting out a government standard for how such schemes should operate.
- international agreement on a way to bring international aviation emissions within the wider post-2012 framework, following up the Kyoto Protocol;
- the removal of barriers preventing the emergence of international aviation emissions trading schemes, including the modernisation of ICAO and the Chicago Convention;
- inclusion of aviation within the European Emissions Trading Scheme as soon as is practicable. The Government is aiming for a scheme that applies to all flights departing from any airport in the EU;
- building on the progress made to date in promoting offsetting to airline passengers;
- introducing an emissions cost assessment to inform future decisions on major increases in airport capacity;
- publishing revised emissions forecasts in 2007.

In addition:

The DfT would recommend that all airports follow the example of Manchester and Luton airports and plan to become carbon neutral:

- it will invite airport operators to publish an environmental statement alongside their master plans, setting targets for recycling, reducing carbon emissions and improving the energy efficiency of their business operations, with the aim of achieving carbon neutrality as quickly as possible;
- it will ask the industry to report annually on the progress it has made on reaching the targets in its Sustainable Aviation Strategy.

Local environmental challenges:

Further work on White Paper commitments is expected in respect of:

- Producing noise maps (by mid-2007) and action plans (by mid-2008) for airports in line with the European Directive 2002/49/EC requirements (see the update paper elsewhere on the Agenda);
- A Government consultation on draft planning policy statement on planning and noise by summer 2007;
- Airports to publish post-consultative master plans as quickly as possible;
- Airports that have published voluntary blight schemes to implement them; the DfT will encourage other airports to bring forward blight schemes where these are necessary.
- The commencement of a review in 2007, of current PSZs to ensure that the level of risk has not changed. As part of this work, the DfT will also look at whether traffic increases require PSZs to be put in place at other airports.

Additional action:

- The Government recommends that airport consultative committees monitor how well the new powers in the Civil Aviation Act 2006 are being implemented by airports.
- To invite all airports to produce surface access strategies setting targets for increasing public transport use.
- To encourage the industry to look at how it communicates information about environmental impacts, and to follow best practice, e.g. East Midlands' internet tracking system for aircraft noise.

Economic benefits of air travel:

Looking forward the Government has said that it will:

- continue to keep data on air travel updated, so that there is a clear picture of trends in the future evolution of the UK aviation industry;
- continue to keep air passenger demand forecasts under review to assess whether the forecasts of growing demand remain correct, and publish a technical note on its forecast methods and results in 2007;
- produce a strategy setting out how it will evaluate the impact of the White Paper policies;
- work closely with the aviation industry to manage the implementation of new security measures at airports;
- design and consult on designation and de-designation criteria and consider the specific cases at Stansted and Manchester Airports;
- continue to negotiate bilateral and other international agreements to allow greater choice of routes and services;
- ensure that adequate long-term fuel supply is secured to London airports following the Buncefield fuel depot explosion.

Surface access

11. The Progress Report states that airport operators have made a positive start by developing surface access strategies. A number of airports have also set challenging targets for increasing the use of public transport by passengers and people working at the airport. Although the national picture shows that the private car remains the dominant means of accessing airports, some good progress has been made by individual airports. The Government continues to look to all airports to produce transport strategies that set and work towards challenging targets for increasing public transport, and sharing best practice. A separate paper on surface access to airports is considered elsewhere on the Agenda.

Consultative Committees - areas for consideration

12. The Progress Report is to be welcomed as it clearly set out how the policies of the Air Transport White Paper are being delivered and the action that has been taken since 2003. The priority now being given to address climate change is a significant step forward as is the emphasis being placed on this issue by the aviation industry.

13. It is encouraging that the Government is continuing to develop and progress a broad range of areas to ensure the delivery of its White Paper policies. There are a number of policies to be developed over the coming year that consultative committees will no doubt wish to comment upon at the appropriate time. These include the emissions cost assessment, the proposals for passenger off-setting, the draft planning policy statement (PPS) on planning

and noise and the PSZ review. In respect of the consultations on the emissions cost assessment and the revision to PPG 24 it is suggested that collective responses on behalf of the Liaison Group be made. The Secretariat will therefore seek views of committees at the appropriate time.

14. In respect the recommendation that airport operators publish an environmental statement to sit alongside its airport master plan, it would be interesting to hear from committees how their airports are taking forward this recommendation.

**Paula Street
Secretariat**

ANNEX A

SUSTAINABLE AVIATION

SUMMARY OF KEY POINTS HIGHLIGHTED IN THE FIRST PROGRESS REPORT

The Government welcomed the aviation industry's Sustainable Aviation strategy launched in July 2005, as it put down a marker of the aviation industry's commitment to address its environmental impacts. The Strategy sets out 8 goals and 34 commitments on sustainability issues such as climate change, noise, local environmental impacts, and social and economic development. The first progress report on delivering the strategy was published on 7th December. The key points highlighted in that report included:

- Significant progress on emissions trading, supported by strong industry representations to the EU Commission.
- Carbon offsetting offered to BA and Monarch passengers and that more schemes were about to be launched.
- Support for scientific research into aviation's 'non-CO2' effects.
- Progress towards the targets of 50% reduction in fuel burn and noise, and 80% reduction in NOx emissions, for new aircraft in 2020 compared with the equivalent aircraft in 2000.
- Signatory airlines have published fuel efficiency and CO2 emissions. This is a major step towards public information on CO2 emissions from British airlines.
- Creation of climate change and noise abatement Task Groups, designed to accelerate measures to reduce or mitigate the climate and noise impacts of aviation.