

Response to Environmental Audit Committee inquiry into Greening the post-Covid Recovery

Written Evidence from the No Third Runway Coalition

14th August 2020

1. Introduction

- 1.1** The No Third Runway Coalition was set up in March 2017, bringing together a number of community groups who are opposed to expansion at Heathrow. Our members include residents, NGOs, environmental campaigners, MPs and local authorities.
- 1.2** Communities across London and the South East suffer from excessive levels of noise pollution and illegal levels of air pollution. The period of lockdown has seen a welcome and beneficial reduction in many communities. It is vital that the post Covid-19 takes the opportunity to embed the environment at the core of the UK economic strategy.

2. Key Points

- 1)** Response to pandemic offers an opportunity to “stand back” and create an environmental aviation strategy fit for the future.
- 2)** International aviation and shipping emissions must be included in the legal net zero target without offsetting
- 3)** Aviation policy must provide support for a just transition for workers whose jobs may cease to exist.
- 4)** Review Aviation taxes – with a view to utilising and “ring fencing” a levy revenue raised to support workers in re-skilling, to support expert funding for overflowed communities and to invest in genuinely sustainable aviation fuels.
- 5)** Develop an aviation strategy that tackles regional inequalities.
- 6)** Place social and environmental objectives at the heart of any bailout approach.
- 7)** Political climate has changed and Aviation White Paper should drop the ‘growth everywhere’ mantra.

Responses to Questions

How should the policy response to the current crisis differ from the response to the global financial crash in 2008?

Environment

3. It is vital that the climate crisis is placed front and centre of the economic recovery from the pandemic. Aviation industry progress on decarbonisation has been painfully slow. In order to meet Net Zero targets there will need to be a robust framework from Government with strict targets and incentives to help boost investment and innovation.
4. The Government should take this opportunity to include international aviation and shipping emissions in the UK's carbon budgets immediately.
5. The UK Renewable Transport Fuels Obligation should include a requirement for airlines to purchase genuinely sustainable aviation fuels (e-kerosene). This would could help to provide an incentive for investment and innovation.

Regional Investment

6. Government policy should focus on rebalancing the economy and this should seek to focus any growth in aviation (not airport expansion) in the regions across the UK, within existing planning constraints and ensure that this is compatible with net zero climate targets.
7. Reducing the dependence of airlines on a hub airport helps minimise the risk an airline faces if a route fails. Thus, point-to-point airports offer greater flexibility to the system that is more easily able to respond to changes to society and shocks to the economy.
8. A dispersed network of point to point airports delivers more effective competition, drives prices down and produces other benefits, such as product differentiation to meet the demand of a wider range of consumers. This may also offer greater scope and flexibility to respond to future changes in passenger demand.

How could the Autumn budget be used to shift taxation from economically beneficial things, such as jobs and incomes; to environmental harms, such as pollution and waste?

9. The government should use its review of tax arrangements in the aviation sector to ensure that all companies make a fair contribution to the reduction of emissions.
10. Higher taxes, equitably levied, on flights from the UK would help both to reduce demand and to put the sector on a trajectory compatible with net zero. There are numerous taxes which could be combined to achieve this including:
 - A frequent flier or air miles levy, which would be the most equitable instrument;

- VAT on plane tickets;
 - Introducing excise duty on aviation kerosene;
 - Raising Air Passenger Duty to allow part of such duty/levy to be “ringfenced”, to fund independent expert research and investments to assist and compensate overflowed communities to minimise any adverse effects. The system at Vienna airport is a world leading practice which has significantly helped to redress the current unequal balance of communities/environment and the commercial interests of the aviation sector.
- 11.** If aviation paid the same level of duty and VAT on its fuel, as motorists, revenue for the Chancellor would increase to over £11billion a year compared to the £3.8billion that APD raises today.
- 12.** This contribution should include paying towards the costs of the Right to Retrain and job retention scheme, increasing investment in research and development within the sector, funding independent expert research as well as investing in emissions reducing practices and technologies
- 13.** Any revenue raised could be directed to investing into support for retraining and reskilling aviation workers, increasing investment in research and development and investing in emissions reductions technologies. It could also help to fund local community environmental projects.

What sustainability conditions should be attached to Government bailouts for high-carbon industries?

- 14.** It is likely that most aviation sector businesses will need further capital injection in coming months. The government must put social and environmental objectives at the heart of a new bailout approach and act immediately to set up a new financial assistance scheme.
- 15.** All large-business bailouts must require a meaningful equity stake, which should be 30% as a minimum.
- 16.** Warrants must also be issued which enable the Government to take a majority stake in the event that a business cannot repay a loan, or cannot meet the conditions of bailout. Conditions should include:
- Suspension of shareholder dividends and excessive pay-outs.
 - Businesses commit to protecting wages, pensions, benefits, and contract arrangements.
 - Support conditional on transparent and ethical tax practices, including banning support to companies with an ultimate ownership structure domiciled in a tax haven.
 - Support conditional on investment in practices and technologies which reduce aviation emissions.

How can the economic recovery stimulus be used to deliver green jobs at a time of potentially high unemployment?

- 17.** It is vital that transition arrangements are put in place which ensure that good quality employment in the aviation sector is protected, while also facilitating the development of the skills necessary for roles in the future workplace. This should include:
- 18.** Creation of a new sector panel to develop a new bespoke, sector-wide, crisis support plan and package for aviation, with representation from unions, businesses, local communities and government.
- 19.** Delivery of a new skills and employment strategy, including conversion of the job retention scheme into a new job reskilling programme which protects employment while workers are supported to transition into alternative roles.
- 20.** Workers across the carbon intensive industries require both the expertise needed to work within lower emission and increasingly automated jobs, with new technologies and practices, and to enable shifts into other emerging industries. Particularly, arrangements are needed which put protections in place for lower-skilled and lower paid workers who will be most vulnerable.
- 21.** The government should support businesses in adhering to a Union agreed redundancy rate by converting its current Job Retention Scheme into a bespoke part-time job retraining scheme.
- 22.** In line with the principles of a 'just transition' for workers, the aviation sector would be able to make use of this bespoke extension until the sector has stabilised at a level of passenger departures compatible with the UK's national and international climate agreements.
- 23.** In the short term the sector should increase support for workers by providing more pick up and drop off points for employees so as to reduce the car travel to their workplace and to reduce local road congestion around airports.

The pause in economic activity, fall in traffic and increase in working from home during the lockdown has resulted in rapid reductions in air pollution and greenhouse gas emissions; what measures can be utilised in the recovery to continue these trends as economic activity resumes?

Public Transport Investment

- 24.** Investment in surface access links to airports is vital, particularly around Heathrow where typically, there are 235,000 daily trips to/from the airport with 60% of these using private car or taxi services.

- 25.** Current modal share of public transport of these journeys is 40%, which has increased by just 1% since 2009. This rate of progress is clearly insufficient, particularly given Heathrow has failed to meet their own 2018 target.
- 26.** It is not sufficient and is not sustainable to simply 'encourage' or 'improve' public transport. There must be credible and concrete plans to actually meet the aspirations of modal shift, to prevent extra congestion.
- 27.** Two key rail links, Western Rail Access and Southern Rail Access are needed with Heathrow at its current size. These schemes are in different states of development but appear in essence to be 'shovel ready'. Government should place a high priority on these schemes and provide the financial and administrative resources required to ensure their rapid delivery.

Aviation White Paper

- 28.** The Aviation White Paper provides an opportunity to drop the 'growth everywhere' mantra and set out robust plans for demand management options, incentives and penalties to ensure promised technological improvements are delivered and a framework of mechanisms to ensure that the industry pays for non-CO2 emission. This could include:
 - More robust noise proposals that close the existing regulatory gaps, including a process to ensure airports are accountable for their noise commitments.
 - Meaningful, measurable targets are still required to protect the public from the impacts of aircraft noise on health and quality of life.
 - A national level assessment for air pollution monitoring.
 - A call for objective research into the impact of highly concentrated flight paths. The potential negative effects of the introduction of Performance Based Navigation has the possibility of becoming a "smart motorway" in the sky and proving to be a folly. This is an opportunity to reconsider both its commercial benefits, safety implications and social and health impacts.
 - Development of a reliable evidence base to assess impacts of airport operations on health environment.