

Written evidence submitted by MAG (CAUK0008)

Dear Sir/Madam

MAG's response to the Findings of the Report of Climate Assembly UK call for evidence

Thank you for the opportunity to respond to the Business, Energy and Industrial Strategy (BEIS) Select Committee's call for evidence on the findings of the Climate Assembly UK's final report.

MAG owns and operates Manchester, London Stansted and East Midlands Airports. Pre-pandemic, these airports supported the travel of more than 62 million passengers and the movement of over 733,000 tonnes of air cargo. Our airports are carbon neutral, with East Midlands becoming the first carbon neutral UK airport in 2012 and our Manchester and Stansted airports following in 2015 and 2016 respectively. Last March we published our latest Corporate Social Responsibility Strategy *'Working together for a brighter future'* and committed to transition from carbon neutral to net zero operations by 2038, more than a decade ahead of the Government's national target. Through leadership and cross-industry collaboration, MAG has sought to play a role encouraging the transition of the sector to a net zero carbon future – including leading the UK aviation industry in becoming the first in the world to commit to net zero emissions.

We welcome the Government's commitment to tackling climate change. Initiatives led by the Department for Business, Energy and Industrial Strategy and Department for Transport, such as the Climate Assembly and Jet Zero Council are essential collaborations in our collective work to reach net zero carbon by 2050. In the Sustainable Aviation Decarbonisation Roadmap¹, the UK aviation industry set out how airspace modernisation, sustainable aviation fuels, low emission aircraft and market-based measures will enable it to achieve net zero carbon emissions by 2050. The Climate Assembly UK's final report includes a number of recommendations which align with the industry's decarbonisation plans. We believe these recommendations should be implemented by Government.

The report is correct to express a preference for 'a solution to air travel emissions that allows people to continue to fly'. Such an approach is essential to maintain and expand the UK's access to global markets as well as to the extensive social and economic benefits aviation brings to national and regional economies. UK aviation supports 961,000 jobs and contributes £52bn in GDP across the UK economy². The UK aviation sector supports wider economic development through trade, inward investment and tourism, with spending by foreign tourists via air contributing £19.6bn GVA to UK GDP. Whilst we accept that aviation must operate within acceptable limits and more generally that aviation must play a full part in meeting the challenge of net zero we strongly agree that aviation growth should not be unnecessarily constrained. A thriving aviation industry is essential not just to global connectivity and economic recovery, but also to enabling the aviation industry to make the significant investments required to reach its net zero goal.

We support recommendations set out in the 'how we travel by air' section, which aligns well with Sustainable Aviation's Decarbonisation Roadmap and the ambitions of the Government's Jet Zero Council. In that regard, we welcome the strong support set out in the report for 'progressing new technologies for air travel as quickly as possible' and the case for 'speeding up technology'. We encourage the Government to continue working in partnership with the industry through the Jet Zero Council to accelerate airspace modernisation, the introduction of low emission sustainable aviation fuels and to bring forward research and development which leads to innovative net zero aircraft, including alternative fuels such as electric and hydrogen. Despite the Climate Change Assembly's recommendation that the 'onus' for decarbonisation is on the aviation industry, it is our strong view that the Government should maintain its current approach to working in partnership with the industry. Such an approach is essential to establishing clear long-term policy and securing the investment necessary to deliver first-of-a-kind innovations – such as sustainable aviation fuel production facilities – in the UK.

The Government has previously considered whether carbon taxation could be a useful mechanism to reduce emissions from aviation. UK air passengers are already subject to the highest air passenger duty of any nation³ and, through the UK and EU Emissions Trading Systems (ETS), emissions from aircraft are already subject to a

¹ https://www.sustainableaviation.co.uk/wp-content/uploads/2020/02/SustainableAviation_CarbonReport_20200203.pdf

² <https://www.sustainableaviation.co.uk/goals/social-economic/>

³ https://airlinesuk.org/wp-content/uploads/2020/07/Airlines-UK_Demand-and-Connectivity-Impact-of-a-12-Month-Air-Passenger-Duty-Waiver.pdf

cap-and-trade system which imposes carbon-related costs on airlines. Through its recent Aviation Tax Reform consultation, Government discounted further taxation as unnecessary and excessively complicated to administer. We agree that further taxation is not necessary and believe that it would be counter intuitive. This is because further taxes would act to suppress investment in new technologies, delaying much needed low-emission technologies; push airlines to operate outside of the UK, resulting in 'carbon leakage'; and result in higher ticket prices for customers, reducing access to flying and potentially increasing emissions due to passengers travelling to other airports to avoid such taxes. As such, we do not support the Climate Change Assembly's suggestion that Government implement further taxes or 'frequent flyer' levies.

Rather than a frequent flyer levy, we encourage the Government work with the aviation industry through the Jet Zero Council to:

- Create an aviation decarbonisation strategy that provides a framework within which aviation can continue to deliver socio-economic benefits whilst at the same time playing its full part in meeting Government's net zero 2050 target;
- Secure the investment necessary to create a successful sustainable aviation fuel industry in the UK, creating green jobs and enabling immediate emission reductions in existing aircraft; and
- Continue to support the research and development activities of Britain's world-leading aviation manufacturers as they bring forward innovative, low-carbon solutions to zero carbon flight.

As this consultation and related initiatives progress, we would welcome further engagement with the Government to discuss the proposals and our position.

Yours sincerely,

Neil Robinson
Group CSR & Airport Change Director

MAG
policy@magairports.com
www.magairports.com

May 2021