

IMPORTANT * IMPORTANT * IMPORTANT
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Change of contact details for BAR UK (from 8 August 2009)

The new numbers are:

Telephone: 020 7752 0200

Fax: 020 7245 0055

All other address and contact details remain the same.

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Chief Executive's welcome

In the newspaper trade, the summer season is often referred to as 'the silly season' because no serious issues attract attention. That sentiment certainly does not apply to this industry!

Some important topics are covered in this issue; the prime one of these is Air Passenger Duty and the planned changes. Let there be no doubt, they will be detrimental to passengers, and to the UK's economy, and to the airline industry. They are also absolutely unjustified.

The lead item below provides further thoughts and comments on this.

Meanwhile, on a domestic note, unexpected changes to the telephone system within the building in which BAR UK is located have meant very short-notice changes to our telephone and fax numbers. These are provided at the very beginning of this newsletter.

*In closing, let me wish all readers a pleasant (and dry!) time for the rest of the summer season.
Mike Carrivick*

1. Air Passenger Duty campaign



HM TREASURY

The campaign to resist the planned increases and changes to Air Passenger Duty (APD) in November this year, and again in November 2010, continues.

The reasons are many and include the Treasury actually risking its own revenues from APD.

Originally imposed as an environmental tax, it has already been illustrated by the Department for Transport that APD revenues exceed the costs of its CO2 emissions. Since then the tax was doubled in February 2007.

The change to the way that APD is charged on a distance basis, plus increases in the rates themselves, will simply deter many people from flying.

We are concerned that:

- high APD levels will persuade many potential visitors that the UK is simply too expensive compared to neighbouring European countries
- the increases will be significantly detrimental to the cost of flying, making air travel increasingly unaffordable for many UK residents, especially families as children are required to pay the adult rate
- there will be significant reductions in the number of important off-peak travellers visiting friends and relatives (VFR) here and abroad.
- reduced numbers of visitors will affect hoteliers, sightseeing organisations and all other sectors of the inbound tourism market with significant effect on local communities
- long term damage will be caused to the international reputation of the UK as a leading tourism destination, especially during the build up to the Olympic Games
- no other form of transport, all of which have an environmental impact, has this level of taxation placed upon them either in the UK or abroad.

The table below illustrates the extraordinary level of increases planned since the previous doubling of APD in February 2007:

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Air Passenger Duty economy class increases since January 2007					
Destination (with sample country)	JAN 07	FEB 07 Current	NOV 09	NOV 10	Variance Jan 07 – Nov 10
Band A (Spain)	5	10	11	12	+ £7 (+ 140 %)
Band B (Egypt)	20	40	45	60	+ £40 (+ 200 %)
Band C (Barbados)	20	40	50	75	+ £55 (+ 275 %)
Band D (Singapore)	20	40	55	85	+ £65 (+ 325 %)

(Air travel in a class other than standard Economy is required to pay DOUBLE the above amounts)

These APD levels are disproportionately high and also apply to all visitors to the UK, and there are no discounts for children.

In many cases, the APD charges are likely to equate to the cost of one return ticket. A family of four will pay an additional £260 in taxes when travelling to or from Singapore, or an additional £160 to or from Egypt, compared to January 2007.

It is recognised that aviation must pay its environmental dues and the revenues raised by the current APD tariff already exceed them by over £100 million per annum (*DfT report: Aviation emissions costs assessment 2008, based on APD charges in 2006*). Since then, APD has already been doubled.

For visitors to the UK these proposals act as a tariff barrier and many will be deterred from travelling. The new APD charges are unjustified and will lead to increased UK unemployment.

Emissions trading schemes are the way forward, and the EU's will embrace aviation from January 2012. Until that time, BAR UK calls for APD to be retained in its current form, after which it should be discontinued.

2. National ID Cards



In May 2008, the aviation industry was informed by the Home Office that all new staff working 'airside' would first be required to obtain a National Identity Card.

Very quickly, the industry informed the Home Office of its objections, and provided several practical reasons why.

Despite those objections, a pilot scheme was devised for introduction at London City and Manchester airports. However, continued industry lobbying has now been successful!

The new Home Secretary, Alan Johnson, has announced that the scheme will drop the mandatory requirement, a decision that is most welcome.

The pilot schemes at both airports will still proceed though, but on a voluntary basis.

There may be meaningful benefits that can be obtained, and the industry still remains engaged with the relevant authorities to explore them.

3. Thames Estuary Airport? – a dead duck



The recent publicity concerning a Thames Estuary airport has been strong on hype, but scant in detail. However, what detail has emerged does not lend credibility to the concept.

From an airline point of view, if such a scheme was practical, it would enjoy a measure of support, but that support simply does not exist.

The idea of a Thames Estuary airport has been looked at by different UK Governments and all serious studies have reached the same conclusion: that a new airport in the Thames Estuary would be impractical on safety, economic, environmental, commercial and social grounds.

Among them is the fact that the estuary is a major location for resident and migrating birds that simply cannot be shifted. For that reason, and a host of others, this airport concept is a dead duck.

4. House of Commons Transport Committee

Earlier this year, the Transport Select Committee announced a consultation ‘The Future of Aviation’, covering a wide spectrum of issues.



BAR UK responded to the consultation several weeks before the Committee’s public hearings that were due to follow.

We were pleased to be called as witnesses before the Committee on 1st July, jointly appearing with the Chief Executives of Virgin Atlantic Airways and easyJet.

Included in the hearing were questions on the government’s aviation planning policies, aviation taxation, the loss of domestic routes into Heathrow, the need for expansion at Heathrow, and integrated air/rail connectivity.

The hearing went well over its allotted time, and it was an excellent opportunity to make direct representations at this level.

5. e-Borders success

Out of the public eye, the airlines have had to contend with the delays incurred by the Home Office to their e-Borders programme. The impacts of those delays for airlines have related to implementation dates and the acceptance of various technology platforms and protocols by which to transmit the required data.

The build up of those issues was causing considerable strain in delivery and in working relationships at monthly meetings with the e-Borders authorities.

At long last, the industry has been listened to, and successes on key stumbling blocks were achieved very recently.

These successes should enhance the programme and possibly result in other benefits as well.

6. EU Emissions Trading Scheme

All is possibly not well with the implementation of the lead up to the scheme.

Despite a start date of January 2012, a lot more has to be in place before then.

The extremely tight deadlines imposed on the UK's implementation schedule are now under more strain. To quote the Dept. of Environment and Climate Change in its notification to airlines:

‘All operators included in the Aviation EU Emissions Trading System (ETS) and allocated to the UK for regulation must submit an emissions monitoring plan to their UK regulator outlining how they will determine their reportable annual CO₂ emissions. The deadline envisaged for this was 31 August 2009.

However, in order for UK regulators to require aircraft operators to submit emissions monitoring plans there needs to be a firm and agreed list of operators allocated to each EU Member State for regulation (“the list”) published by the European Commission.

As we are relying on the list in domestic legislation to identify operators subject to UK regulation, until the list is published in the Official Journal of the European Union (OJEU) the UK Government is legally unable to lay before Parliament its first stage Regulations transposing the Aviation EU ETS Directive.

The earliest we are expecting the European Commission to publish the list is around the end of July 2009. The Regulations will be laid before Parliament shortly after the European Commission has published the list. The Regulations will come into force no fewer than 21 days after being laid before Parliament. The deadline for the application of emissions plan is therefore no longer 31st August 2009. An updated timetable for this process is set out later on in this note.

To provide early sight of the requirements the Regulations will place upon aircraft operators covered by EU ETS, the UK Government has published the final draft of its first stage Regulations for information only. The Regulations and other relevant documents can be found on the Department of Energy & Climate Change (DECC) aviation webpage at:

http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/emissions/eu_ets/aviation/aviation.aspx

Taking the requirements of the Regulations into consideration, the following summary outlines the timeline that applies to the submission of the first emissions monitoring plan to your UK Regulator:



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- Aircraft Operators⁽¹⁾ are required to apply to their Regulator for an emission plan no later than 8 weeks after the first stage Regulations come into force;
 - Regulators are required to issue an approved plan or refuse to issue a plan within 4 months of receiving an application for a plan.
 - Aircraft Operators who wish to submit an application for a benchmarking plan in connection with application for free allocation must do so by 31 December 2009.
 - The Regulator has discretion to submit reports of tonne kilometre data where late applications for benchmarking plans are received.....
-We strongly advise operators to continue the process of developing their plans, using the guidance and example plans available on the Environment Agency website. When developing plans it is important that you refer to the most up-to-date monitoring plan templates, as the web-based application system will require at least the same information as the current Commission templates. The most up-to-date templates can be obtained from the following link to the Commission's website:

http://ec.europa.eu/environment/climat/emission/mrg_templates_en.htm

When the list is published and the Regulations laid before Parliament we will email you again with the definitive deadline for the submission of your emissions plan.

Airlines are still encouraged to work to the original deadlines.

7. Aviation and biofuels – a guide



What is a biofuel? How many types are there? Do they have a future? These questions and others are now answered in a 'Beginner's Guide to Aviation Biofuels'.

It's an easy-to-understand guide for anyone interested in this topic, published by the Air Transport Action Group. It can be seen and downloaded at: <http://www.atag.org/content/default.asp>

It is hoped that the use of biofuels as a practical alternative to fossil fuels is more in the medium rather than longer-term future.

8. Airtrack to Heathrow?

Airtrack is the name of the proposed rail link into Heathrow from the South.

It would link Reading, Wokingham and Bracknell directly into Heathrow, via a new link at Staines, and also offer great rail connections through Clapham Junction and into London Waterloo.

The potential to take millions of road journeys into Heathrow is massive.

Issues of great concern were raised during the public consultation that took place last year. Those issues are currently being worked through by BAA.

Meanwhile, BAA has submitted an application to the Secretary of State for Transport for an order under the Transport and Works Act. The purpose is to seek authorisation for the works required, and the acquisition of any land required, either temporarily or permanently.

More details about the scheme can be obtained by e mail to: heathrowairtrack@cjassociates.co.uk

9. News at BAR UK

(i) Election of new Vice Chair

The Board of BAR UK is pleased to announce the appointment of Nigel Milton (Virgin Atlantic Airways) to succeed Dr. Barry Humphreys, also of Virgin Atlantic, who retired earlier in the year.

The other Vice Chair remains Mrs Angela Coleman of Delta Air Lines.

(ii) Membership changes - welcomes and farewells

Airline	Welcome	Farewell
Air France/KLM	Mr Henri Hourcade	Mrs Christine Ourmieres
Air Namibia	Ms Giovanna Cardillo	Ms Helen Adamou
Korean Air	Mr Jeong Soo Park	Mr Jong Hwan Kim
Qantas	Ms Judith Crompton	Mr Stephen Thompson
SAS	Mr Hans Dyhrfort	Mr Lars-Ove Filipson

(iii) New member

We are delighted to announce that Aegean Airlines has joined BAR UK. Aegean will be represented by Ms Amanda Blair, Sales & Country Manager, to whom a warm welcome is extended.

(iv) Next General Meeting – Advance Notice

This information is repeated from the June Newsletter

For the first time, the next meeting will be held outside of London. It will be held at **NATS Swanwick**, near Southampton on **3rd November**.

The theme will be around the need for efficient management of airspace for safe and on-time airline performance.

Guest Speaker: Mr Paul Barron, Chief Executive Officer - NATS

More details will be circulated in due course.

(v) BAR UK summer holiday closure

The office will be closed 10-26 August inclusive, during which time it will not be possible to respond to any messages, phone calls or correspondence.

The next BAR UK Newsletter will be published in October 2009



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