

A response from Campaign for Better Transport to the Department for Transport's consultation: Reforming the framework for the economic regulation of UK airports

Key recommendations

- The primary duty of the economic regulator should include minimising the effect of aviation on the environment and on local communities
- Air passengers should not be represented by the same watchdog as bus and rail passengers

About Campaign for Better Transport

Campaign for Better Transport is the leading transport NGO. Our compelling arguments and ideas have won us the support of national decision-makers and local activists, enabling us to secure transport policies and programmes that improve people's lives and reduce environmental impact.

Our response

The experience of air passengers should not be prioritised above effects on the environment and impacts on local communities. (Consultation questions 6.1, 6.2 and 6.3)

We welcome the proposed replacement of the four current duties of the economic regulator. However, the primary duty should include a duty to minimise the impact on the environment through its actions as it is essential that the experience of air passengers should not be prioritised above effects on the environment and impacts on local communities.

A major theme in the consultation is identified as "putting the passenger experience first, which requires appropriate levels of investment but which must be balanced by the effects on the environment and associated impacts on local communities¹". It also states that "part of improving the passenger experience means investing in new capacity, and that investment has consequences on the environment and local communities²". This implies that the experience of air passengers will be prioritised above the impact on the environment and local communities.

The government has a legal commitment in the Climate Change Act to an 80% reduction in carbon emissions by 2050, in which transport has a key role to play. When the Government announced that it intended to expand Heathrow, Geoff Hoon committed to a new Government target: emissions from British aviation must be reduced to below 2005 levels — 37.5 million tonnes — by 2050. The Department for Transport has also reiterated in its summary of the responses to the consultation paper on DaSTS that, in relation to priorities within the five goals, "our biggest challenge is how we address the need to reduce transport's greenhouse gas emissions (primarily CO₂), while also supporting economic growth³". The

¹ Department for Transport's consultation: *Reforming the framework for the economic regulation of UK airports*, page 5.

² Department for Transport's consultation: *Reforming the framework for the economic regulation of UK airports*, page 6.

³ *Summary of Responses to the Consultation on Delivering a Sustainable Transport System: Planning for 2014 and beyond*, page 31.

economic regulator of airports should not have a primary duty that is inconsistent with the Department's overall approach to transport policy.

The economic regulation of aviation should be in the context of tackling climate change, and should not be predicated on the basis that investment in new capacity is need to improve the passenger experience. Instead the number of short-haul flights should be reduced by transferring journeys to rail. Campaign for Better Transport published research showing how the Government could reduce business and other flights by boosting alternatives such as rail travel and teleconferencing⁴. Other research published by Campaign for Better Transport demonstrates how modal shift can be achieved by reducing rail fares and increasing aviation taxes, so that the cost of air travel starts to reflect its environmental costs⁵. The benefits of modal shift from air travel to rail include a reduction in CO₂, a reduction in the need to expand airports, a reduction in the damage to landscape and biodiversity, and a reduction in noise.

The economic regulator's primary duty should be structured so that if in the future Government adopts the policy (as Campaign for Better Transport believes it should) of encouraging modal shift by taxing fuel on domestic flights and reducing rail fares, it would not conflict with the government's ability to do this.

Air passengers should not share the same watchdog as rail and bus passengers. (Consultation questions 10.1 and 10.2)

In the consultation document it is proposed that consumer complaints handling and passenger representation should pass from the Air Transport Users Council to Passenger Focus. The overarching principles for the development of an airline passengers' watchdog should be that air passenger representation should not compromise or conflict with the interests of bus and rail passengers and that the air passengers' watchdog should be part of the solution to cutting CO₂.

Passenger Focus has recently taken on the role of statutory watchdog for bus passengers, in addition to its representation of rail passengers. Its priority must be to improve the services provided to bus passengers, before increasing its remit to include air travel. There is a risk that Passenger Focus taking on air passengers will divert resources away from rail and bus passengers. Campaign for Better Transport is already concerned that resources may be being diverted from supporting rail passengers to supporting bus passengers.

While Passenger Focus' funding for work with bus passengers is ring fenced for 2009, Passenger Focus is working "towards a fully integrated organisation, with all staff working on rail and bus issues by 2011"⁶. This sort of integration may not be appropriate for supporting air passengers as it may result in resources being diverted from bus and rail passengers to air passengers. For instance, there is a risk that aviation work may be prioritised above bus and rail work because air passenger concerns are often highlighted by the media.

Furthermore, there are some important differences between the needs and interests of air passengers and those of bus and rail passengers. Therefore it may make sense for air passengers to be represented separately. Bus and rail passengers are similar in that both modes are clearly public transport, seen, in part at least, as a public service with government playing a strong role to support its social, economic and environmental benefits. Air travel is significantly different. While bus and rail journeys are often essential travel (for instance to work or to the shops) air travel is often a luxury. People taking regular short bus journeys, or daily commutes on the train, are likely to have very different concerns from those occasionally travelling from one end of the country to another by plane. Transport used on a regular basis, such as bus

⁴ Campaign for Better Transport , *Alternatives to Aviation*, October 2008

⁵ Campaign for Better Transport , *Transport Costs and carbon Emissions*, December 2008

⁶ Passenger Focus, *Making a difference 2009-12 Corporate Plan*, Conference edition, 2009 – 12

and rail travel, is likely to have a far greater impact on the quality of passengers' lives, than occasional luxury travel, such as plane journeys. And in terms of end to end journeys, rail-bus integration is the main area of concern for passengers.

While air travel is a high carbon mode, bus and rail are low carbon modes of transport. The air passenger watchdog's role should be consistent with the Government's commitment to reducing CO2 described above. To make this possible the watchdog's remit should include encouraging modal shift from air to rail.

As the watchdog for rail and air travel Passenger Focus could experience some conflicts of interest. For example, if air passengers tell Passenger Focus that they would like cheaper flights this would conflict with the need for modal shift to rail. In this situation, Passenger Focus would have to make decisions itself behind closed doors about the prioritisation of work on pricing of air travel compared to prioritisation of work on rail travel, and the public lines it would have to take and to be prepared to defend. However, if air passengers were represented by a separate watchdog, the conflict between cheap flights and modal shift would be mediated in public and the decision making process (including any actions taken by government as a result) would be more transparent.

For the reasons described above Campaign for Better Transport believes that air passengers should not share the same watchdog as rail and bus passengers.

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