

**British Airways submission to the Airport Commission**

## Discussion Paper 03: Aviation and climate change

17 May 2013

British Airways (BA) has considered the questions in the Airport Commission publication of April 2013: "Discussion Paper 03: Aviation and Climate Change" and has a small number of comments to make.

**Addressing climate change**

British Airways is determined that aviation plays a full part in the transition to a sustainable economy. We recognise that this requires simultaneous achievement of economic, environmental and social objectives. We are convinced that more capacity, particularly hub capacity serving London, is fully consistent with these objectives and is essential to protect UK competitiveness, connectivity and employment whilst reducing carbon emissions, minimising the population exposed to noise and internalising environmental costs.

Government will play a key role in supporting research and development in aerospace technology, encouraging the introduction of sustainable low-carbon fuels, delivering on infrastructure projects such as the Single European Sky initiative, and working with other countries to establish a global sectoral approach for regulating international aviation emissions based on carbon trading.

We support global targets for aviation of a cap on emissions from 2020 (Carbon Neutral Growth) and a 50 percent cut in net carbon dioxide (CO<sub>2</sub>) emissions by 2050 relative to 2005. We have consistently supported appropriately applied carbon trading as the most economically and environmentally effective measure to ensure these targets will be met.

Developments in aircraft and engine technology continue to reduce UK aviation's carbon intensity. In addition, there is huge potential for sustainable low-carbon fuels to achieve further CO<sub>2</sub> reductions.

Significant UK influence over CO<sub>2</sub> emissions from aviation will be achieved not through restricting the scale of UK aviation activity, but rather through internationally focussed efforts. Government should therefore:

- support the development of more efficient aircraft and engine technologies which will be deployed on a worldwide basis;
- support the development and large-scale deployment of low-carbon sustainable aviation fuels offering very significant life-cycle CO<sub>2</sub> savings relative to conventional fossil-based fuels;
- work with international partners to enable more efficient air traffic management;
- press for agreement on and support implementation of a global carbon-trading solution encompassing all of aviation and ensuring a level playing field for all participants.

## Capacity constraints will not address climate change

The use of capacity constraints in the UK as a measure to address international aviation emissions would be inappropriate and ineffective. Such an approach would displace traffic and emissions outside the UK, damaging the UK's connectivity and competitiveness whilst doing little to reduce global emissions.

In April 2012 the Committee on Climate Change (CCC) presented advice to Government that emissions from international aviation:

*"Should be included in the **accounting framework** of the Climate Change Act. This would ensure that [overall UK] carbon budgets and targets are compatible with, and provide the most flexible means of meeting, the internationally agreed climate objective."*

The CCC clarify that *"The key driver of emissions reductions [for aviation] will be EU or global policies, and **should not be UK unilateral approaches...**"*

It is clear that the CCC reject the notion of UK unilateral targets or measures for addressing international aviation emissions.

## ***Q2 To what extent do you consider that the analysis presented in this paper supports or challenges the argument that additional airport capacity should be provided?***

There is no contradiction with providing capacity for London and reducing carbon emissions. British Airways has led the aviation industry in committing to a global approach to capping and reducing carbon emissions by 50% by 2050. The EU ETS will provide a good first step towards achieving global net limits on carbon dioxide emissions and carbon pricing for aviation.

A global approach to aviation emissions is supported by the vast majority of States in ICAO and has been an area of both political and technical focus in recent years. Relative to progress in the broader international negotiations on climate policy, ICAO has made positive progress towards this objective.

We welcome recognition of the carbon leakage effect in Chapter 5 of the discussion paper. The analysis supports the view that unilateral UK measures aimed at limiting carbon dioxide emissions, such as capacity constraint, would have no impact in actually reducing emissions, but would simply displace them outside the UK.

Further analysis should aim to include displacement of demand (and therefore carbon emissions) outside the UK as a result of current capacity constraints. The analysis as presented in Table 5.1 of the discussion paper does not appear to include any existing displacement.

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<sup>1</sup> *Scope of carbon budgets: Statutory advice on inclusion of international aviation and shipping, Committee on Climate Change, April 2012*

***Q5 What conclusions should be drawn from the analysis of effectiveness, and relative cost, of airport capacity and other abatement measures in Chapter 5? Are there alternative analytical approaches that could be used to understand these issues?***

We do not believe the EMRC & AEA analysis was a robust piece of work and we do not accept all its conclusions on abatement opportunities. As pointed out in paragraph 5.23, the analysis *“does not attempt to quantify emissions ‘leakage’ resulting from capacity constraints”*. Therefore the subsequent suggestions that capacity constraints would reduce emissions or would be a cost-effective mechanism are invalid and false.

An illustration of false accounting of emissions reductions associated with capacity constraint is seen in the UK Treasury claim in their March 2011 consultation on Air Passenger Duty that a decision to rule out new runways at Heathrow, Gatwick and Stansted will reduce UK emissions by 20 million tonnes by 2030. This argument is false, since most of the displaced UK demand that cannot be met by a UK hub would be met by connecting over hubs outside the UK such as Paris, Amsterdam, Frankfurt and Dubai. Emissions would not reduce significantly, they would simply be displaced or ‘leak’ to other countries. The only effect would be to reduce the connectivity and competitiveness of the UK.