

ABTA response to the Department for Transport's Aviation Strategy Green Paper

June 2019

About ABTA

ABTA – The Travel Association, was founded in 1950 and is the largest travel trade association in the UK, with around 1,200 members consisting of 4,500 retail outlets and offices. Our Members range from small, specialist tour operators and independent travel agencies specialising in business and leisure travel, through to publicly listed companies and household names, from call centres to internet booking services to high street shops. ABTA's focus is ensuring that Members can operate their businesses in a sustainable and successful way, enabling their customers to travel with confidence.

The success of ABTA Members' businesses is directly reliant on the UK's aviation infrastructure; many of ABTA's larger Members are themselves part of groups that own airlines. Annually, ABTA Members' turnover is in excess of £38 billion. The business of our Members is the provision of quality, efficient, and competitively priced passenger travel.

ABTA welcomes the opportunity to submit comments to the Aviation Strategy Green Paper (therein the Strategy). We welcome the open engagement that has been undertaken so far with the industry, as part of the Government's approach to developing the Strategy's policies, and we look forward to continuing to engage in a constructive manner as the Strategy process progresses.

Introduction

As acknowledged in the Green Paper, the UK has one of the largest aviation networks in the world – third after China and the USA, contributing at least £22 billion to the UK economy per annum and directly creating 230,000 jobs. As an island nation, aviation plays a vital role in connecting UK businesses and consumers to the rest of the world and is integral to the success of the UK economy and the UK's vibrant tourism mix, made up of domestic, inbound and outbound tourism related businesses.

ABTA's latest report, *Driving Growth: The Value of Outbound Travel*, commissioned from the Centre for Economics and Business Research (CEBR), demonstrates the significance of outbound travel in terms of its contribution to the UK economy. The report finds that outbound travel contributes £15.9 billion in direct GVA to the UK economy, and a total of £37.1 billion when indirect and induced contributions to the broader economy are considered – 1.8% of UK GDP. Also, UK holidaymakers spent nearly £45.7 billion on travel-related expenditure before their overseas trips in 2017 – 36.1% higher than in 2008. Leisure aviation alone directly accounted for 221,000 workers in 2017 across the UK, and 684,000 when indirect and induced impacts are considered¹. The sector has been resilient in the face of significant challenges, including terrorism and Brexit.

¹ ABTA: Driving Growth: The Value of Outbound Travel:
<https://www.abta.com/system/files?file=media/uploads/Driving%20Growth%202019%2011042019.pdf>

Aviation operates as an 'aviation mix' with leisure, business, and visiting friends and relatives (VFR) passengers all flying on the same aircraft on the same routes. Leisure aviation alone plays a critical role in underpinning the UK's international connectivity and protects the viability of many air routes, including for business travellers, which in turn acts as a catalyst for the UK's economy and global competitiveness. ABTA's 2013 report on *The Value of Leisure Aviation*² showed that leisure aviation contributed £14.1 billion in GVA to the UK economy, equivalent to 1.1% GDP. Leisure aviation also made up over 90% share of air routes, demonstrating the significant contribution of leisure travellers to UK businesses, as well as the UK economy, generating 1.2% of total UK employment annually.

ABTA is supportive of the overall premise of the Aviation Strategy and the stated objectives, especially those on meeting rising demands, increasing passenger numbers and changing expectations, particularly as concern the provision of assistance services to the growing number of passengers with disabilities or limiting health conditions, and who make up 19% of the UK population - 44% of which have a non-physical disability.

ABTA would reiterate the point that airport capacity constraints have led to a reduction in the overall number of destinations serviced directly by UK carriers, hindering the ability for UK businesses to expand and serve emerging markets. As such, ABTA supported the Airports National Policy Statement (ANPS) through its development, along with the Airports Commission's work on the preferred scheme for delivering increased airport capacity in the South East.

ABTA's response covers significant aspects of the Strategy, including the proposals for improving the consumer experience, where we continue to make a case for the consumer to be at the heart of any new policy framework that aims to balance the need for growth with environmental challenges while improving the passenger experience and UK connectivity. ABTA strongly supports the Strategy's aim "to achieve a safe, secure and suitable aviation sector that meets the needs of consumers and of a global outward facing Britain".

As such, we welcome the principle of a Passenger Charter that will ensure consumers have clearer expectations of the service they should expect from the industry. However, this must be developed through close cooperation with industry and passenger representatives, and the role of industry must also be balanced with a clearer understanding of the roles and responsibilities of consumers to share critical information with their travel providers. At present, many of the proposals covered within the section provide little detail or clarity on the solutions envisaged, and in many cases, there is insufficient evidence provided to support claims around consumer detriments or existing gaps in provision.

Similarly, ABTA notes that many of the proposals throughout the strategy appear to focus predominately on mitigations of perceived problems, and the introduction of new measures or rules to be enforced against industry participants. While these tools will necessarily be part of any comprehensive strategy, ABTA would call for a clearer focus on ways in which the Government can partner with the industry to promote sustainable growth, and to ensure the UK maintains our positions as a leading globally competitive economy for aviation. ABTA believes an approach that is insufficiently ambitious in relation to the positioning of the UK as a driver of sustainable growth in aviation risks stifling innovation, and productivity, and could result in the UK losing its position as one of the leaders in aviation and aerospace.

Our submission is structured to align with the sections of concern to ABTA Members.

² ABTA: Tourism and aviation, How flights to, from, and within the UK underpin a growing tourism industry:

https://www.abta.com/sites/default/files/media/document/uploads/Tourism_and_Aviation_Report.pdf

ABTA's role in insolvency protection in the UK travel industry

ABTA is the UK's leading and largest BEIS 'Approved Body' under The Package Travel and Linked Travel Arrangements Regulations 2018, providing financial protection to consumers, the others being the Confederation of Passenger Transport (CPT) Bonded Coach Holidays (BCH) scheme and the Association of Bonded Tour Operators Trust (ABTOT).

ABTA protects some £2.7 billion of turnover through its financial protection scheme for the 425 Members who undertake non-licensable (non-ATOL) packages, Linked Travel Arrangements and non-package travel arrangements as principal. ABTA also operates a scheme of financial protection in relation to retail agents under its own rules. The purpose of the scheme is primarily to provide pipeline protection to ABTA's tour operator Members in the event of an ABTA travel agent failure. The scheme, where required, will also consider claims from customers in the event that the agent has not booked the customers' holiday, or in certain cases, where the customers' contract with the principal is unenforceable and the customer is otherwise likely to suffer a financial loss.

ABTA holds some £638 Million in financial security, principally in the form of bank bonds or surety policies from insurance companies sourced by Members in relation to its schemes of financial protection. ABTA Insurance PCC Limited is a wholly owned subsidiary of ABTA and has provided the vehicle for the reserve fund required by virtue of Regulation 21 of The Package and Linked Travel Arrangements Regulations 2018 since 1993 in the form of a captive insurance protected cell company. The total assets of ABTA Insurance are some £21 million and of the ABTA Group are some £36 Million.

ABTA and the Federation of Tour Operators (FTO) have operated financial protection schemes for UK consumers since the late 1960s, before the ATOL scheme was introduced in the 1970s or the PTD/PTRs in the 1990s. ABTA and the FTO merged in 2008. ABTA is therefore the longest standing as well as a highly experienced financial protection organisation operating within the UK.

ABTA has a long-standing experience of financially protecting all types of holiday, including air travel, having operated the ABTA scheme of protection to include Members' ATOL activity until 1992. The FTO scheme included most major travel companies' ATOL activity until the same time. More recently, ABTA operated the ABTA-ATOL Joint Administration Scheme with the Civil Aviation Authority (CAA) from 2012 until 2017, providing an air and non-air integrated solution to up to 180 companies following the introduction of the 2012 ATOL Regulations.

ABTA therefore uniquely represents the full spectrum of the industry providing organised travel arrangements for consumers and business travel agents.

In relation to financial protection, ABTA represents:

- 659 ATOL holders
- 496 businesses providing financial consumer protection through ABTA as their 'Approved Body' under the Package Travel Regulations
- 359 of those businesses participate in both sets of arrangements

ABTA holds more than 1,240 individual performance Bonds with a total of value of more than £500 million in relation to our Members' travel activities. A much smaller number of Members utilise financial failure insurance products and the arrangements of the two other BEIS Approved Bodies (CPT BCH and ABTOT) to comply with ABTA's requirements and / or those under the Regulations.

ABTA has operated as a BEIS (formerly DTI/BIS) Approved Body since 1993 at the inception of the 1992 PTRs. The ABTA Scheme of Financial Protection, which Members may also extend voluntarily to

protect single element sales (for example, accommodation only) in addition to packages, has operated without the need for any Government support or intervention for the 25 years that the PTRs have been in place.

The ABTA operated reserve fund has functioned without falling in to deficit at any stage. The FTO (now incorporated in to ABTA) scheme (formerly known as the TOSG Trust Fund scheme) successfully dealt with the 1982 Laker /Arrowsmith Holidays failure; the 1990s failures of ILG Travel (number two operator in the UK); the 1994 Best Travel / Grecian / Cypriana Holidays and Yegotours/ Medchoice failures. In each case, these were ‘top ten’ groups.

In total, ABTA has dealt with some 661 travel company failures over those 26 years.

Section 2: Objective 1 – Build a global and connect Britain

ABTA welcomes the Government's commitment to improving global aviation standards. We are also assured by the recognition of the importance of the development and adoption of common international standards for a global and connected Britain, and the role these will play in fostering trade as well as a safe and secure customer experience. The proposals to encourage worldwide liberalisation and remove restrictions to air freedoms, frequencies, destinations and carriers are supported, where these outcomes can be delivered on a reciprocal basis with international partners. Such developments, if combined with a regulatory and tax environment that promotes sustainable growth in the aviation industry, should benefit all passengers through increased choice, enhanced service levels and more effective competition.

ABTA welcomes proposals to empower technological advancement, with the industry supported through encouraging regular close working with the International Civil Aviation Organisation (ICAO) to develop industry expertise and monitor the social and environmental impacts of new regulations. The industry has already taken significant steps, utilising technological advancement to reduce the effects of aviation on the environment and local communities. While the industry is committed to, and commercially incentivised, to continue to deliver improvements, the Government can play an essential role in delivering a step change in this area. With targeted government support and partnership, the industry can further its’ work with suppliers to conceive and deliver important advancements in technology, including the reduction of noise and carbon emissions, increased fuel efficiency and the development of sustainable aviation fuels. The Government can help position the UK as a global hub for the future of aviation by adopting a policy environment that nurtures innovation, and through the offer of funding support and other incentives for increased investment in research and development.

In terms of Brexit, ABTA recognises the commitments from both the UK and the EU to ensure passengers and cargo connectivity continues through a comprehensive Air Transport Agreement and to facilitate cooperation on aviation safety. As part of ensuring that flights can continue to fly post-Brexit, deal or no deal, ABTA was at the forefront of pushing for the adoption of contingency legislation that will protect air connectivity between the UK and the EU in a no-deal scenario. While this provides a limited degree of comfort, at least for the short-term, a no-deal exit would still cause notable disruption in the medium term. As such, ABTA remains of the view that the UK should depart the EU with a deal, and that a long-term solution must be prioritised, during the next phase of negotiations, to enable seamless travel between the UK and the EU for leisure and short-term business purposes.

Ownership and Control

As recognised (paragraph 2.32 of the Green Paper), current rules around ownership and control are archaic and limiting, constraining airlines' ability to raise capital. In principle, ABTA welcomes the proposal to update these rules so that focus is on an airline's place of business rather than the nationality of its majority shareholder, although it would be important to ensure necessary safeguards are in place to enable the industry regulator, the CAA, to monitor all market participants effectively. ABTA suggests that this proposal is prioritised for implementation to liberalise the aviation market further, boosting inward investment by allowing capital to flow more smoothly and bringing the aviation industry in line with other sectors, such as the motor industry, which would improve choice and competitiveness for consumers.

Section 3: Objective 2 – Ensure aviation can grow sustainably

ABTA recognises that, as an island nation with only limited fixed transport links to Continental Europe, aviation is an integral part of the UK's economic foundations. Businesses and consumers rely upon the country's advanced aviation network and the international connectivity the industry provides. However, we also acknowledge that travel and tourism, as well as the wider aviation and transport industry, have an important role to play in meeting the UK's future targets around climate change and sustainability.

While further improvements are needed, it is encouraging that the industry has made progress in starting to de-couple growth from emissions in recent years. In the period 2010-2016, passenger numbers grew by 27% in the UK, but total emissions from aviation only increased by around 0.2% in that time³. This was due to many factors, including airlines purchasing and utilising new aircraft technology, improved air traffic management and airports investing in reducing energy use on airfields. As indicated in the document supporting the Strategy, there is consensus in the industry that the longer term emission targets will not be met unless there is a step change in technology⁴, and the industry has already invested significantly in technology, which has led to improvements in fuel efficiency by more than 13% since 2005. The Government can play an essential role in supporting continued improvement in this area, through the establishment of a policy environment that incentivises investment in research and development and promotes innovation.

ABTA also notes that the aviation industry appears to be making better use of diminished airport capacity, including using larger aircraft, which often deliver per-passenger emissions savings, to meet increasing demand. Capacity and load factor for European carriers, for example, increased by 5.9% and 0.6% respectively in 2018, compared to 2017. The load factor for European carriers was the highest of any region, despite the uncertainty over the economic backdrop and Brexit. Except for Middle Eastern and Latin American carriers, where load factor decreased slightly, the trend of increased capacity and load factor was the same across the regions of Asia-Pacific, North America and Africa⁵. It is, however, also worth noting the pressures that increased capacity can create against an uncertain economic backdrop, and to consider carefully how these might relate to other areas within this response, including airline insolvency. We have included some more detailed views on this topic later in the response.

Future infrastructure projects and the role of the National Infrastructure Commission

³ Sustainable Aviation figures: <https://www.sustainableaviation.co.uk/goals/climate-change/>

⁴ Competition Priorities: Technology's Influence on the Levels of Environmental Emissions from Aircraft and the Trade-Offs Involved – Review and Future Prospects: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/763263/competing-priorities-noise-report.pdf

⁵ IATA press statement: Healthy Passenger Demand Continues in 2018 with Another Record Load Factor: <https://www.iata.org/pressroom/pr/Pages/2019-02-07-01.aspx>

ABTA welcomes the proposal to give the National Infrastructure Commission (NIC) more power to include airport capacity when assessing future national infrastructure (paragraph 3.13 of the Green Paper). We note that the UK is lagging behind other competitor countries, ranking 27 out of 137 in terms of the quality of its overall infrastructure in 2017/2018. Other OECD economies, including Germany, the USA and France, rank much higher at 12, 10 and 8 respectively⁶. ABTA has long had concerns over the length of time taken to reach decisions on major infrastructure projects, particularly where these have national strategic relevance, and we believe the model proposed could play a constructive role in depoliticising future infrastructure decisions. Improving the approach taken around large-scale infrastructure projects will become ever more critical in a post-Brexit world, as the UK seeks to increase trading links with the rest of the world and ensure a balanced approach to the national economy.

In addition, ABTA is concerned that in many cases, decisions taken around important infrastructure projects appear to give minimal consideration to broader national strategic objectives. For example, ABTA continues to support the delivery of HS2, but we were dismayed that the final route adopted, which included only a spur link to Heathrow, and with no direct link to the existing high-speed line (HS1), fails to maximise the potential benefits of the scheme as an alternative to domestic flying. Meanwhile, the lack of airport capacity in London and the South East continues to impact on both the UK economy and the experience of passengers, who suffer increased incidences of flight delays and unreliability, as well as increased fares and less choice surrounding destinations and routes. As well as being restricted in terms of competition and lower fares, capacity constraints have resulted in declining domestic connectivity at Heathrow, and the erosion of the UK's hub status relative to foreign competitors, thus hindering the ability of the aviation sector to deliver more comprehensive economic benefits.

The Government recognises that flight delays, cancellations and lost luggage are the most significant causes of ongoing inconvenience for consumers. These issues are usually triggered by operational problems such as congested runway due to lack of capacity, minor disturbance (e.g., weather) and individual or unexpected events (drones). ABTA agrees that a short-term solution to the issues around delays and cancellations is needed and welcomes the commitment to work with the industry to ensure that growth in aviation does not come at the expense of positive consumer experience. ABTA believes that, as with Heathrow expansion, the Civil Aviation Authority (CAA) should have oversight in ensuring that aviation growth is not at the expense of the passenger.

Resilience and contingency planning

ABTA acknowledges that setting minimum standards for the industry on resilience and contingency planning could encourage the sharing of best practice between airports on both operational issues and individual events. We also commend the principle behind the need to improve operating resilience to reduce delays and the associated costs to both industry and passengers. However, we would urge that, as part of encouraging airlines to plan manageable schedules for when disruptive events are forecast, the Government also considers the knock-on effect on travel agents and operators, who also have obligations and liabilities for all aspects of a package holiday sold under the EU Package Travel Directive. This proposal will require meaningful consultation and engagement with all industry stakeholders to avoid the potential for unintended consequences and/or market distortions.

⁶ World Economic Forum: Global Competitiveness Index 2017/2018: <http://reports.weforum.org/global-competitiveness-index-2017-2018/competitiveness-rankings/#series=EOSQ056>

The Strategy proposes to "encourage" airlines to prepare for disruptive events (paragraph 3.37 of the Green Paper), but does not give further detail as to what this entails. For this proposal to be effective and have maximum impact, the final Strategy should set out how airlines and airports would be encouraged to plan manageable schedules in case of disruptive events. Furthermore, as above, this proposal would need to be fully cognisant of the importance of airline interactions with their suppliers, who will also be inevitably affected by any disruptive event.

More generally on improving resilience and the service provided to consumers, a number of the proposals under this section are quite broad, and more clarity is required. For example, when examining the proposal to consider whether government intervention would be appropriate and should be triggered when looking at longer-term plans for improving resilience (paragraph 3.38), the Green Paper does not set out what form(s) this intervention would take. ABTA would caution against any government intervention that is disproportionate and places an additional burden on the sector, including the supply chain. We welcome the commitment to work with the industry as part of considering appropriate intervention and urge that this consultation involve all sectors of the industry, including travel agent and tour operator representatives.

ABTA welcomes the establishment of the Voluntary Industry Resilience Group (IRG), which would ensure improving resilience is at the forefront of any new development and sustainable growth. The IRG would be especially vital for development in the South East, where capacity is significantly constrained, which leaves airports struggling to recover from disruption. As noted in the CAA's 2017 report on operating resilience and the consumer interest, airports, such as Gatwick, that experience higher utilisation during peak months see a significantly lower on-time performance.⁷ While we welcome the improvements and investments that airports and airlines have made over the years to bolster resilience, we remain concerned, particularly in the South East, where minor disruptions resulting from severe weather conditions continue to lead to critical delays due to lack of capacity.

While we support the proposal to consider how airports can be encouraged to consider resilience (paragraph 3.38 of the Green Paper), ABTA believes they will continue to face difficulty where capacity remains constrained, and this must be taken into account as part of any work to independently review capacity declarations.

Changing the Slot allocation system

ABTA acknowledges that any reforms to the slot allocation system will require international cooperation, and we welcome that the Green Paper (paragraph 3.54) proposes to work constructively with the industry, IATA and the countries with whom the UK has established aviation links.

There is recognition within the industry that improvements and enhancements could be made to the current system for slot allocation, but this will require careful and considered engagement with the entire aviation sector, including tour operating businesses who can be required to purchase slots to operate their programmes. It is also worth noting that IATA already has global review of slots underway, which should be given due consideration. ABTA believes any future proposals for reform should be guided by the principles of increasing competition, enhancing consumer choice and delivering increased service quality. It is also important that any attempts to reform or liberalise slot allocation take account of the disruption caused to industry stakeholders, and ensures adequate

⁷ CAP 1515: CAA Operating Resilience of the UK's aviation infrastructure and the consumer interest
[https://publicapps.caa.co.uk/docs/33/CAP1515%20Operating%20Resilience%20and%20the%20consumer%20interest%20v2.5 final clean FINAL.pdf](https://publicapps.caa.co.uk/docs/33/CAP1515%20Operating%20Resilience%20and%20the%20consumer%20interest%20v2.5%20final%20clean%20FINAL.pdf)

compensation is afforded to airlines or tour operators affected, as not to do so could cause significant financial hardship. We believe the effect of any future slot reform on competition could be particularly significant where one or two airlines retain a dominant position at an airport, often as a result of “grandfather rights”.

Community engagement and sharing benefits from growth

The importance of communications and community engagement cannot be understated and must occur at all levels, based on trust and transparency in the course of balancing the need for growth with noise and environmental impacts.

It is imperative that airports and airlines work with local communities affected by airport operations and future growth plans. ABTA supported the creation of the Heathrow Community Engagement Board, as part of supporting expansion at Heathrow. More generally, ABTA supports Airport Consultative Committees (ACCs), who play a vital role in bridging the gap between airports, airlines and the local community, providing the avenue for active engagement with residents and stakeholders. ABTA has representatives on several ACCs across the UK, representing the passenger's voice and making a case for improvements to the passenger experience at every stage of the passenger's journey. We welcome the Government's recognition of the positive contribution that ACCs make in this regard and the need for the ACCs to regularly review how they operate.

We look forward to further engagement as the Government considers the scope for supplementary guidance on how they should operate (paragraph 3.70).

ABTA also supports the proposal for guidance on minimum standards for community funds (paragraph 3.72 of the Green Paper), which would mandate for the establishment of community funds across all UK airports rather than voluntarily. These funds have proved vital for mitigating against the environmental and noise impacts associated with airport operations and growth plans, as well as positively contributing to the society and economy of local communities across the UK. ABTA is pleased that the Government has called for these funds to be complementary of existing mitigating measures on noise reductions. The proposed guidance on minimum standards for these funds should, at the very least, set out the scope of the funds and make clear that they are to complement existing measures and projects, and not replace them.

Air and noise pollution

As noted above, ABTA shares the Government's commitment to reduce carbon emissions, and notes the proposal (paragraph 3.87) to accept the Committee on Climate Change (CCC)'s recommendations.

ABTA believes that the travel and tourism industry has an important role to play in delivering the UK's commitments on climate change, and this extends to ensuring improvements on air and noise pollution. Managing the environmental impact of tourism, including aviation impacts, is one of ABTA's strategic priorities. Progress has been made in this regard, as referenced elsewhere in this response. The UK aviation industry has demonstrated it is possible to uncouple growth from emissions growth, and has demonstrated a clear commitment to improve through the utilisation of technological advancements and other solutions, including offsetting. Sustainable Aviation, an industry alliance working to achieve a sustainable future for the UK aviation sector, has produced roadmaps to demonstrate how it can meet existing targets to reduce emissions by 80% by 2050. However, it is important to emphasise that a pragmatic, collaborative and cooperative approach is required if the UK is to deliver a world-leading travel and tourism sector, including on the development of sustainable fuels and other technological solutions.

ABTA continues to support expansion at Heathrow Airport, but this support has always been conditional on the ability of the airport to meet the environmental parameters set as a condition of utilising the additional capacity, and other associated objectives, including the need to increase the proportion of passengers accessing the airport by public transport. In this regard, we welcome recent announcements from Heathrow in relation to the use of electronic vehicles on-site, and proposals to incentivise the increased use of public transport, which will be partially achieved through the introduction of an Ultra-Low Emissions Zone for vehicles accessing the airport site.

The aviation industry has also taken steps in relation to the use of sustainable aviation fuels. The industry has committed to global carbon-neutral growth from 2020 through investment in new technology, operational improvements and better use of infrastructure, with a focus on sustainable fuel. We, therefore, support the statement (paragraph 3.93) that it will be left to the industry to determine which measures to adopt, within the overall policy framework established by the Government. According to the Government's figures, under the Renewable Transport Fuel Obligation (RTFO), sustainable fuel made from waste increased from 12% in 2008/9 to 66% in 2017/18⁸. The report accompanying the Green Paper also notes that potential changes to aircraft technology introduced in 2030-2035 and 2045-2050 would lead to a 30% and 45% reduction in fuel consumption respectively in a likely nominal scenario⁹. This demonstrates that the industry stands ready to develop new technology to mitigate UK aviation carbon emissions and enable sustainable growth, working with the Government on long-term solutions to meeting carbon emissions targets.

The proposals to mitigate the impact of aircraft noise must be prioritised, alongside plans to develop guidance on future housebuilding (paragraph 3.118). As the Green Paper recognises, local communities' concerns relating to noise levels are often directed at flight frequency and concentration of air traffic rather than raw noise levels. This needs to be addressed more effectively along with population increases around airport vicinity, and the many factors which affect how different communities react to noise.

Failure to address this would render invalid efforts over the years to invest in new quieter aircraft and the industry's overall work in reducing aircraft noise while safeguarding UK's connectivity. The industry continues to work and invest in reducing the impact of aircraft noise, with noise output over the last 50 years reducing by 75%, while the newest aircraft have, on average, a noise footprint that is 30-50% less than the aircraft replaced, the equivalent of at least 2.4km². Similarly, 12,200 fewer people are now in the noise contour areas than in 2014, despite a 13% growth in passengers¹⁰, while airports across the country have already put in place measures to manage noise, including, and as recognised in the Green Paper, the introduction of fines for breaches of noise limits at Stansted airport.

ABTA continues to support Sustainable Aviation's work with airline, airport and aerospace industries, which has seen a significant improvement in the industry's per-passenger carbon emissions, and overall noise levels over the years. We would refer the Government to their detailed response in respect of this area.

⁸ Baroness Vere of Norbiton's parliamentary response on renewable fuels:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2019-05-15/HL15785>

⁹ ATA: Understanding the potential and costs for reducing UK aviation emissions, report to the Committee on Climate Change and the Department for Transport:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/785685/ata-potential-and-costs-reducing-emissions.pdf

¹⁰ Sustainable Aviation Progress Report 2015-2017: [SA-Progress-report-2015-17%20\(1\).pdf](#)

Section 4: Objective 3 – Support regional growth and connectivity

Air Passenger Duty

Within ABTA's strategic objectives we support 'A fair tax take' for the UK travel industry. As such, we have long called for a taxation policy that takes into account the broader impacts of aviation, including environmental factors, but that does not unfairly penalise the industry or place UK airlines, and the UK economy, at an unfair competitive disadvantage vis-à-vis our European competitors.

We believe that APD currently fails the above test. It is important to note that APD is not, and has never been, an environmental tax. There is no hypothecation of the tax for environmental purposes, and no use of the revenues generated to incentivise and support the development of greener aviation technologies or other sustainability improvements.

ABTA is a founding Member of the "A Fair Tax on Flying" campaign, an alliance of airports, airlines and other aviation associated industries. At current levels, ABTA believes that APD is an economic inhibitor, which not only disproportionately impacts less wealthy travellers, including low-income families, but which stifles the UK's international competitiveness.

ABTA remains open to constructive dialogue with the Government over the future of APD, and believes that a starting point for these discussions should be HM Treasury agreeing to undertake detailed economic modelling on the impacts of the tax as part of a review, in conjunction with the aviation sector, to determine a viable fiscal structure that enables the aviation sector to meet future demand, while meeting the UK's environmental targets and delivering a fair tax take to the Treasury.

In addition, we urge the UK government to continue to engage constructively and proactively with the ICAO-backed Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which is vital to facilitate an effective, multilateral approach to reducing aviation emissions and tackling climate change. We welcome that the UK is participating in the first phase pilot of CORSIA, and that the Government has restated its commitment to successfully implement CORSIA, including negotiating for it to continue beyond 2035.

Slot allocation of a limited pool

ABTA welcomes the Government's proposals to reform the current slot allocation system, including ring-fencing suitable time slots at an expanded Heathrow (paragraph 4.15), to boost competition within the market and prevent the current situation where some airlines dominate at an airport. There are inefficiencies in the current system, particularly around "grandfather" rights, that affect airports' decision making, block market entry to other and new airlines.

In 2011, in the final Aviation Strategy for Europe, the European Commission also raised concerns and proposed a revision of the EU Slot Regulation to improve the system's efficiency and enable the optimal use of EU busiest airports, notably Heathrow airport, as part of the Aviation Strategy for Europe¹¹. The discussions on the legislative proposal in the EU legislative bodies, which should have completed in 2016, remain halted, initially due to the ongoing debate about the sovereignty of Gibraltar, and now due to Brexit, given Heathrow airport, the busiest EU airport and the one with the most developed slot trading market, may soon be outside EU jurisdiction. Meanwhile, the tension between airports and airlines over airport charges intensifies, with passengers shouldering the burden in the form of increased airfares, delays and lack of choice.

¹¹ European Commission: Communication on an Aviation Strategy for Europe: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0598&from=EN>

Reforming the current system should be done in line with the EU's ongoing proposal to ensure alignment and linkage of policies for future reciprocal agreements in a post-Brexit world. ABTA would stress that any new guidance, as proposed (paragraph 4.15 of the Green Paper), promotes competition and efficiency, gives prominence to fairness and transparency, and takes into consideration the interests of all stakeholders.

On the broader issue of airport capacity and slot arrangements, there is sufficient evidence to show the lack of airport capacity and slots have an impact on air carriers' ability to operate effectively at airports, leading to persistent flight delays. It has also led to a perverse situation where due to the lack of capacity, a single pair of slots at Heathrow is reported to cost \$75 million¹². Similarly, airports across all UK regions are among the worst in the world when it comes to on-time departures, as runways are now more utilised due to demand outstripping capacity¹³.

Increasing capacity as part of a long-term solution to the ongoing problem of slot allocation would open the market to new entrants, fixing a system currently not designed to stimulate a competitive market. ABTA also supports proposals to assist airports in making the best use of existing capacity.

Airport Transport Forums and surface access

Airports should continually seek to engage with local community groups, in addition to that which is done through Airport Consultative Committees.

Existing structures work and Airport Consultative Committees (ACCs) play a vital role in bridging the gap between airports, airlines and the local community, providing the avenue for productive engagement with residents and stakeholders. We would welcome further clarification on how the proposed Airport Transport Forums (ATFs) (paragraph 4.37 of the Green Paper), would operate alongside Airport Consultative Committees (ACCs) and how the Government envisages the roles would differ or where there would be similarities.

On surface access, ABTA supports the proposal to update the 2013 Aviation Policy Framework Guidance to help airports in completing surface access strategies (set out in paragraph 4.37 of the Green Paper), given our long-standing stance on improved and accessible surface access to airports, and promoting a modal shift in how passengers travel to airports.

Surface access is an integral part of the sustainable growth of any airport. It is an essential aspect of the passenger experience and is instrumental in the choice of a passenger's departure airport. A modern integrated transport system can play a decisive role in attracting international investment, offering greater accessibility for Passengers with Reduced Mobility (PRMs), a growing percentage of the population, and easing surface transport disruptions for the local community near transport hubs.

Section 5: Objective 4 – Enhance the passenger experience

ABTA adopts an open approach to the proposal for a Passenger Charter (therein the Charter), and is committed to engaging constructively on this proposal. We have set out, below, detailed feedback on the more fundamental aspects of the Charter. Although generally supportive of the intention to

¹² Business Traveller - "SAS sells more Heathrow slots for \$75m": <https://www.businesstraveller.com/business-travel/2017/03/30/sas-sells-heathrow-slots-75-million/>

¹³ CAP 1515: CAA Operating Resilience of the UK's aviation infrastructure and the consumer interest https://publicapps.caa.co.uk/docs/33/CAP1515%20Operating%20Resilience%20and%20the%20consumer%20interest%20v2.5_final_clean_FINAL.pdf

improve passenger experience, we believe the Charter must be pragmatic and consistent in its requirements of the different sectors of the industry.

ABTA also suggests that the Charter's scope is expanded to cover journeys to and from airports, particularly concerning surface access and accessible travel. In terms of the timely notification of flight delays and cancellation, ABTA believes the Government should adopt a collaborative approach, seeking engagement with all stakeholders to improve the provision of information to passengers. However, any approach needs to be rooted in the realities of the passenger journey. For example, often airlines are best placed to provide passengers with this information when the passenger is already at or en-route to the airport. While ABTA recognises the need for a more collaborative approach, we would be concerned if travel agents and tour operators are faced with an additional burden of providing information in cases where they are not the most appropriate organisation to do so, especially given that information is already passed on to both the passenger and the airline before reaching the airport.

In this regard, ABTA Members have long had concerns that any additional obligations on suppliers, including agents and operators, to pass on their customer data to airlines could potentially be misused for marketing purposes, and regulators should monitor this closely.

Accessibility and PRMs

Accessible flights and holidays have been an essential sector of the travel market for many years, requiring excellent customer service from ABTA Members. ABTA provides its Members with support and practical guides to ensure that disabled and less mobile passengers get the most out of their travel and holiday arrangements. ABTA believes that all stakeholders involved in providing services in the aviation sector should pull together to give the passengers as seamless an experience as possible. This extends to our work on surface access to airports, where we advocate for greater accessibility for passengers with disabilities and Passengers with Reduced Mobility (PRMs).

Over the years, airlines and airports have invested heavily in facilities and technology to make it easier for people with disabilities and PRMs to travel. For example, EasyJet is part funding a trial at Gatwick Airport to improve accessibility for the blind and partially sighted passengers using mobile technology¹⁴. However, we recognise that more could be done, particularly around the transfer of information from agents to airlines, as well as at airports, following the latest CAA report which rated four out of 30 airports in the UK as "poor" for offering assistance to their customers with a disability. The aviation sector welcomed the introduction of Gatwick Airport's lanyard scheme (the sunflower lanyard) for passengers with non-visible disabilities, which has been adopted across many UK airports. We have called for this scheme to be replicated across other modes of transport, improving accessibility beyond air travel and increasing awareness.

While supportive of any measures to improve the experience for passengers with disabilities, these measures must be proportionate, align with existing standards and regulations, and not hamper the UK's international competitiveness. There must also be uniformity in the obligations of the different sectors of the industry in the provision of assistance services as well as clarity as regards the measures proposed. For example, it is crucial that the Government clarifies in the final Strategy how it intends to strengthen accessibility performance standards for airports and airlines (as proposed in paragraph 5.33 of the Green Paper).

An essential aspect of ABTA's work is ensuring holidays are accessible, which forms a crucial part of our "travel with confidence" mission statement. We provide Members with the practical tools,

¹⁴ Gatwick Airport press release – 25 April 2019: http://mediacentre.gatwickairport.com/press-releases/2019/19_04_25_aira.aspx

including a model booking checklist which agents and operators can use when taking bookings, to help their understanding of the needs of their consumers and to tease out information from the person making the booking regarding their assistance needs – information that is then passed down the supply chain. Once this information is passed down, it is up to the airlines to work with their suppliers to ensure the right assistance is provided.

There appears to be inconsistency in the way this information is passed down the supply chain. ABTA continues to have concerns over the lack of precise mechanisms and processes for transmitting data to ground handlers at airports, especially on the assistance needs of passengers with non-visible disabilities. ABTA Members have reported cases of passengers, who have pre-notified, missing flights due to the lack of preparation at the airport or on an aircraft. ABTA acknowledges that accessible needs and the provision of assistance services are to be balanced with financial obligations. However, this must never be at the expense of the passenger. We therefore support more standardisation around PRM booking processes and how this information is collated and passed down the supply chain. ABTA would urge that any standards under this section also make specific references to the importance of accessible travel.

ABTA has consistently called for accessible services, particularly for people with non-visible disabilities, to be better promoted, making clear what assistance service is available as passengers may be more reluctant to disclose that they need help. ABTA has been at the forefront of raising awareness and making it easier for passenger with disabilities to fly, establishing an industry group of the Civil Aviation Authority (CAA), Department for Transport (DfT), Equality & Human Rights Commission (EHRC), airlines, airports, ground handlers, tour operators, travel agents and an independent disability representative. The group aimed to ensure the adoption of regulation EC 1107/2006 into UK law. We welcome any proposals (as noted in paragraph 5.33) to raise awareness of the services available to passengers and would call for the final Charter to include measures to improve pre-departure accessible services, such as travelling to an outbound airport.

While we support any proposal to improve the pre-notification process (also as noted in paragraph 5.33), we believe the onus should be on the passenger to advise on the exact nature of their disability so that all concerned know that they need assistance during the journey. Under the passenger rights legislation, this must be pre-notified a minimum of 48 hours in advance and preferably at the point of sale. This is particularly important for the carriage of electric wheelchairs on-board an aircraft as there can be constraints, driven by safety requirements, on the number of wheelchairs that may be carried on any one aircraft. ABTA places substantial importance on pre-notification and recommends that priority be given to PRMs who pre-notify over those that do not.

As well as guiding Members on how to encourage their customers to pre-notify, either by gathering the information themselves or assisting consumers in finding it, ABTA also directly provide consumers with advice on how to work with their travel partners to pre-notify of their assistance needs¹⁵. ABTA has done a lot of work in this area, including with the CAA to publish guidelines on pre-notification to support all involved when serving disabled passengers and PRMs in providing a comprehensive service to their customers, and encouraging them to identify any specific assistance needs when making a booking. We believe this piece of work serves as a positive first step for the Government in improving the pre-notification process. Adopting the guidance would ensure there is no duplication of work between the Government and industry and would ensure that the proportionality enabled within this guidance is replicated in the final Strategy.

¹⁵ ABTA Accessible Travel: <https://www.abta.com/tips-and-advice/accessible-travel>

ABTA supports the proposal to improve the storage standards for wheelchairs in the hold through enhancing knowledge of wheelchairs and batteries for ground handlers (in paragraph 5.33 of the Green Paper). There is no question that safe and secure stowage of wheelchairs is essential in the interests of passenger convenience at the point of arrival.

With regards to removing limits to payments for damage caused to wheelchairs during flights (as proposed in paragraph 5.33 of the Green Paper), many airlines have already waived these limits. Given the international competition in aviation, the decision to waive limits should be one for airlines and consideration should be given to UK carriers' positioning on the international stage and the impact that could result from removing these limits. We also believe there is merit in reviewing wheelchair insurance policies that include travel for the purpose of risk sharing.

On increasing training programmes, while generally supportive of this proposal, ABTA would caution against rigorous training requirements and would urge for training to be relevant, focussed and take account of existing industry initiatives and training programmes. For example, training on handling passengers would only be appropriate to passenger handlers and not agents or tour operators. As part of improving this proposal, ABTA suggests that the training programmes also complement existing requirements, such as those under Regulation EC 1107/2006.

ABTA would also call for any expansion to the range of the CAA's enforcement powers to be considered in full consultation with the industry.

On the standards for allergy sufferers, many airlines have already taken steps in this area, for example, many airlines opt not to serve nuts where an allergy is notified, and some remove items from their menus, to compensate for the most common allergies. However, it should be noted that it is very difficult to police some of these bans, and in practice airlines are often unable to guarantee the absence of allergies, such as a nut-free environment. Further, it is conceivable that there will be incidences where passengers seek to book travel that have allergies that might contradict with allergies, or travel needs, of other passengers. For example where a passenger has an allergy to fur and there is a guide dog on-board. There is little guidance available for airlines, or other travel companies, about how to approach such circumstances.

Finally, under the PRMs and non-visible disabilities section of the Charter, ABTA has concerns as to whether a universally acceptable air-worthy wheelchair standard and docking station system can be reached, but it is certainly worth investigating further, in collaboration with disability groups and the industry.

Disruptive passengers and alcohol

ABTA submitted to the Home Office's Call for Evidence on Airside Alcohol Licensing at International Airports, calling for a holistic approach to tackling disruptive passenger behaviour on board an aircraft. Any licensing regime must be proportionate and be part of a comprehensive solution to disruptive passenger incidents, alongside an industry-led approach, including the 'One Too Many' campaign, and other deterrent initiatives. We support the Government's statement (paragraph 5.41 of the Green Paper) that a combined approach from airports and airlines is the most effective way to tackle this issue. We await the Home Office's recommendations.

As highlighted in our response to the Home Office's Call for Evidence, there is inconsistency in the collection of reliable data by airlines, airports and the CAA to demonstrate the accurate scale of the problem. We believe additional guidance is needed from regulators, such as the CAA, to promote a standard definition for a disruptive passenger incident. Establishing a common definition would allow for better data analysis and determination of the specific causes of disruptive passenger behaviour, and alcohol's contribution to it.

We support the proposal (paragraph 5.41 of the Green Paper) to raise passengers' awareness of penalties, encourage greater use of existing sanctions and support staff in enforcement actions. Recent evidence shows the impact an awareness campaign can have on incident rates. Latest figures reported by airports have shown a significant reduction in incidents, including Glasgow Airport, which reported a 52% year-on-year decrease in outbound alcohol-related offenders in 2018¹⁶. Glasgow has been operating the Glasgow Campus watch scheme since 2013 and relaunched the 2019 scheme ahead of the summer peak season in May 2019 with the Aviation Minister Baroness Vere of Norbiton¹⁷.

Finally, under disruptive passengers and alcohol, ABTA supports the proposal to encourage best practice across airports and airlines through initiatives such as the introduction of tamper-proof bags for duty-free. We continue to call on the Government to work with the industry to ensure the industry voluntary Code of Practice is adequately implemented, including raising awareness about the consequences of being drunk and disorderly.

Complaints and compensation

ABTA has worked with its Members to make them fully aware of their complaint handling obligations, as well as working with the CAA on resolving disputes relating to air travel. A number of the policy proposals under this section require further detail, which we have taken in turn below, including the proposal to set standards for timely notification to passengers of flight delays or cancellations (as set out in paragraph 5.58 of the Green Paper). Specifically, whether these standards would apply to international carriers.

Furthermore, the International Air Transport Association (IATA)'s new rules on the customer contact information (Regulation 830d), which came into force on 1 June 2019, require travel agents to collect customers' contact information and provide to airlines, for use in the event of operational disruption. Any new standards would need to take these new rules, which may necessitate processes or systems changes, into account. ABTA is concerned that additional measures would lead to a further burden on tour operators and travel agents. ABTA's Code of Conduct also already guides its Members on the provision of pre-departure information, which takes account of data protection rules and we would urge that any new standards consider this. ABTA is also concerned that mandating only UK carriers to comply with a new set of standards would risk putting them at an uncompetitive position when compared to international carriers and other transport sectors.

As with above, ABTA would also welcome further detail on the proposal to set standards for quality response to complaints. What does a quality response look like, and how would it be measured? Would the rules be based on already established industry standards? Similarly, how would the proposal to improve standards for timely and consistent notification to passengers of their eligibility to compensation differ from airlines' obligations under EC 261/2004 about notifying of delays and cancellations?

On the proposals to review ADR to ensure it is working in the best interests of consumers, we would point to ABTA's ADR scheme which is mandatory under our Code of Conduct, with ABTA Members required to comply with their terms, rules and regulations, including responding to any claims promptly. ABTA offers both arbitration and conciliation schemes, both of which are independent of ABTA.

¹⁶ Press release launching 2019 Campus Watch: <https://www.glasgowairport.com/media-centre/uk-aviation-minister-visits-glasgow-airport-to-launch-this-years-campus-watch-campaign/>

¹⁷ Ibid

On the proposal to develop a performance framework, including KPIs to monitor the performance of the standards, ABTA would point out that the aviation industry already performs at a very high standard. We would caution against over-regulating the industry, placing an additional and disproportionate burden on businesses and hindering competition. It also remains unclear whether this performance framework would apply to non-UK carriers operating in the UK, and we would recommend that this is clarified in the final Strategy.

Finally, on the complaints and compensation section, and specifically in response to the proposal to expand the range of enforcement powers available to the CAA by providing for fines for breaches of EC 261/2004, ABTA would call for further clarity on the scope of the expansion of the CAA's powers. In particular, in circumstances where there is a dispute between the CAA and an airline over the application of the Regulation. For example, in seeking clarification on what constitutes an "extraordinary circumstance" under Regulation EC 261/2004, would the CAA be the arbiter, having the powers to issue fines based on its interpretation, even if disputed? ABTA believes the courts should decide disputes such as these.

More widely on EC 261/2004, ABTA would urge the Government to consider a general review of the compensation claims process, including the revision of the time threshold, either through overcoming the current political block on the EU Commission's proposed revisions¹⁸, which includes increasing the threshold from 3 hours delay to 5 hours, or post-Brexit. We also urge the UK Government to consider reviewing the proliferation of Claims Management Companies (CMCs) in this area. As part of its preparation to take over the regulatory oversight for CMCs, the Financial Conduct Authority (FCA) has committed to considering whether its regulatory scope should extend to CMCs operating in flight delay compensation claims. ABTA would urge that the Government work with FCA as part of this review to protect passengers from exploitation, as well as a future assessment, post-Brexit, on whether the Regulation is proportionate.

Airline failure

ABTA has engaged with successive governments on consumer protection issues related to overseas travel by UK residents, and we are committed to working constructively with policymakers to pursue a workable, sustainable solution to consumer protection in relation to airline insolvency. In this regard, ABTA engaged extensively with the Airline Insolvency Review, which was established following the failure of the Monarch Group in 2017.

The Monarch Group demonstrated how travel distribution has changed, with only 10-15% of the consumers travelling with Monarch Airlines being on a Monarch Holidays Air Travel Organiser's Licensing (ATOL) regime protected arrangement. Although the scale of the 2017 Monarch failure made headlines, the issues were the same as those experienced in 2008 with the XL Group, when the Government of the day also intervened at the taxpayers' expense to repatriate consumers who had chosen to purchase unprotected travel arrangements. We also note that in a growing number of other airline failures, with relatively less scale (but arguably no less impact on the consumers affected), the airline ticket holders have gone unprotected. For example, recent examples of airline failures where UK consumers have not been protected in an equitable manner to that of those involved in the Monarch failure include Primera Air and flyBMI.

The industry segments within the scope of ATOL, who are paying for the ATOL system and providing that protection, remain very concerned by this inequality, which undermines the value of the ATOL system. It is also inequitable that taxpayers, many of whom may not be able to afford leisure air

¹⁸ Proposal to amend Regulation (EC) No 261/2004: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013PC0130>

travel, carried the cost of the decision by consumers to book unprotected travel (or rather the decision of Government to intervene).

ABTA submitted a detailed response to the Review, which focused on a solution that met the following principles:

1. Giving consumers transparency and clarity around consumer protection;
2. Preventing market distortions between competing businesses – in particular not allowing a burden that only falls on UK airlines and travel organisers in a market where consumers are served by carriers from many other jurisdictions to a highly significant degree;
3. Avoiding duplication of consumer protection costs, and additional cost burdens for businesses currently providing protection;
4. Providing all purchasers of airline seats with equality of protection – consumers, business travellers, travel agents/intermediaries and organisers
5. Providing adequate liquidity for any solution.

The Review team has acknowledged that there is a significant gap in consumer protection, especially as related to repatriation rights when consumers are affected by airline insolvency. To summarise, the Review team has recommended:

- Establishing a new risk-based levy, called the Flight Protection Scheme (FPS), to repatriate consumers in the event of airline insolvency;
- The CAA would be appointed to oversee the new FPS regime;
- ATOL should be kept separate from the FPS and de-classified as a tax, enabling the Government to move away from their role in the system, and changes should be made to the governance and structure of the Air Travel Trust.

ABTA has long argued for a comprehensive approach to consumer protection relating to airline failure. While we recognise this is a complex policy area, and multiple tools will be required to provide a comprehensive solution, ABTA believe the proposals represent a sensible and pragmatic basis for further consideration. However, ABTA feels strongly that the timeframe between the publication of the Review and the submission of responses to the Aviation Strategy – just six weeks - has been insufficient to enable full consideration by ABTA Members of the recommendations, or for ABTA to conduct a detailed analysis of what these proposals might mean for the UK travel industry.

ABTA is clear that, following a two-year independent review, which has been conducted in a thorough and commendable fashion by Peter Buck and his team, the extremely limited consultation exercise conducted within this Aviation Strategy Green Paper is insufficient, and does not represent either the necessary breadth of respondent, nor the depth of analysis, warranted by such an important and contentious topic, which has such serious ramifications for UK consumers.

Therefore, ABTA urges the Government to bring forward, at the earliest opportunity, a full and detailed consultation on the issue of airline insolvency to enable a thorough consideration of this subject by the DfT/CAA, travel industry, airlines, and other industry and consumer stakeholders. We believe this consultation process should be based on a full assessment of the economic assessment, and conducted entirely separate from the Aviation Strategy, in recognition that Airline Insolvency is a broader matter of consumer protection, which is of interest to consumers and other stakeholders beyond the aviation industry, many of whom will not be natural respondents to this consultation. For example, the outcome of the Review has potentially significant implications for other existing industry protection schemes, including the Air Travel Organisers' Licensing (ATOL) regime and the BEIS Package Travel Regulations regime, which is responsible for flight based Linked Travel Arrangements (LTAs) through their Approved Bodies (ABTA, ABTOT and the CPT BCH).

Booking information and terms and conditions

ABTA's response under this section relates specifically to expanding the range of enforcement powers, terms and conditions transparency, allocated seating, and the role of Transport Focus.

As mentioned above, any expansion of the CAA's enforcement powers either under ATOL (as proposed in paragraph 5.67 of the Green Paper), or EC264/2004, must be considered in consultation with the industry. We have concerns about the financial and operational impact of increased enforcement powers under ATOL on tour operators and travel agents. UK travel businesses' international competitiveness would also be affected as non-UK companies will retain the right to operate in UK markets, selling to UK consumers and are not regulated under ATOL.

With regards to ensuring transparency concerning airlines' terms and conditions, ABTA looks forward to reviewing the CAA's report on its review on the transparency and prominence of the travel industry's terms and conditions. We would call for this work to align with the Competition and Markets Authority (CMA)'s "Small Print, Big Difference" campaign to improve travel businesses' terms and conditions, with a focus on transparency around fees, especially cancellation fees.

More generally, ABTA is concerned about the lack of transparency and competitiveness with regards to the pricing and distribution of airfares, with travel agents facing difficulty when attempting to compare fares they no longer have full access to through the GDS. There is also a lack of transparency around seat allocation, and we welcome the Government's statement on the possible adoption, as part of the Charter, of the CAA's recommendations for improving the information provided on the need to purchase an allocated seat. The current lack of transparency has led to many, including PRMs and their carers, paying to be sat together when this is not always required. The CAA's research referenced in the proposal (in paragraph 5.67 of the Green Paper) found variation in airlines' rules on allocated seating and ABTA looks forward to reviewing any recommendations and the proposed new framework for assessing seating practices.

There is also confusion around airlines' obligations as concern seat allocation for adults and children, posing potential risks to both children and all other passengers on board an aircraft, especially in an emergency. Although the CAA recommends that airlines should sit parents close to children, there is no legal obligation for airlines to do so, leading to inconsistency in airlines' policies. ABTA would suggest that this recommendation is also adopted as part of the Charter.

Finally, under this section on extending the remit of the role of Transport Focus, ABTA would ask for more clarity on how Transport Focus would work with existing structures for representing air passengers and stakeholders, such as Airport Consultative Committees, and identifying passengers' priorities. Transport Focus has a strong reputation and an essential role in representing the passenger's voice, and we note the benefits of extending its function to act for air passengers. ABTA represents its Members and passengers' voices through the Airport Consultative Committee structure and would be happy to share its expertise and insight on advocating for improving the passenger experience. ABTA has representatives on Airport Consultative Committees across the UK, monitoring passenger service standards, facilities and processes.

Section 6: Objective 5 – Ensure a safe and secure way to travel

ABTA has no comments to make concerning general aviation.

Section 7: Objective 6 – Support General Aviation

ABTA has no comments to make concerning general aviation.

Section 8: Objective 7 – Encourage innovation and new technology

ABTA's response relates only to Unmanned Traffic Management technology and regulation in the UK (paragraph 8.9 of the Green Paper).

ABTA welcomes the new regulations on drones, including mandatory registration of new drones and stricter penalties for illegal flying near no-fly zones, which have been expanded since the Gatwick incident in December 2018. However, these new rules fall short of introducing mandatory counter-drone technology. We, therefore, welcome that work on this is a Government priority.

Further Information

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