

The Rt Hon. Boris Johnson MP
Prime Minister
Office of the Prime Minister
10 Downing Street
London
SW1A 2AA

5th September 2020

Dear Prime Minister,

Covid 19 and Airports

Since the AOA last wrote to you on 17th July 2020, highlighting the immense impact of COVID-19 on the UK aviation industry and the support that is much needed for the sector, the outlook for our country's airports has grown more bleak. The lack of a regional approach to the quarantine policy, and slow progress in introducing a testing regime for travellers to the UK has exacerbated an already negative consumer confidence picture: few people are willing to fly away for their holidays or for business purposes and thus industry has lost the revenue of the critical summer period. UK aviation has not received the same level of support as in other countries. As a reminder, the position across the sector is not a positive one:

- Our best estimates put UK airport lost revenue for 2020 at almost £4 billion so far.
- Up to 110,000 jobs are now at risk at UK airports and their supply chains.
- A full recovery in passenger traffic to 2019 levels is now only expected by 2024.

Over the summer we have unfortunately witnessed announcements from airlines, airports, ground handlers and aerospace manufacturers, detailing their struggles and their need to make wide-ranging redundancies. Unfortunately, we cannot currently envisage an end to this struggle, and without robust Government support there is real possibility of irreparable damage being done to our once world-beating aviation sector.

Global Britain

As we mentioned previously, we see airports as a vital component in the Government's ambitions for the UK to be a global trading nation, they are the essential infrastructure through which much of this trade will be conducted. As we have witnessed during the COVID-19 crisis, air freight has proved a lifeline to us as an island nation. Airports are also the key nodes of a national network, spread across the UK's regions, of economic enablers which will accelerate the Government's levelling up agenda. Other nations have recognised the essential contribution of aviation to their economies and have supported their industries, and the UK risks losing out to trading competitors if it does not take similar action.

We ask that you recognise the key role of our airports as critical national infrastructure and provide support to our businesses, so that they can rebuild, maintain vital services and continue to support high-skilled jobs for many thousands of UK residents.

Risk Appetite

We are concerned there is a disconnect between levels of risk tolerated in easing lock down at large in society, and that for aviation. In our view the approach in aviation should be a risk-based assessment on a par with other actions for retail and leisure, not a zero-risk standard.

Managing International Travel

Specifically, we would ask you to make a decision this week on introducing testing for international travellers (to reduce the use of quarantine), and also commit to regionalising quarantine requirements where possible in key markets.

Financial Support

It is also necessary to provide a meaningful package of support for UK airports, so that we can continue to serve this country to the best of our capacity. Such support would include:

- Business Rates Relief for English airports for 12 months, bringing them into line with their Northern Irish and Scottish counterparts, and the hospitality and retail sectors. We call on the Welsh Government to take similar action for Welsh airports.
- Extending corporate fiscal support measures, or a new equivalent of them, on a sectoral basis. This would include support with employment costs beyond the October end of the Job Retention Scheme, but also general finance measures such as the CCFF and CBILs.
- Funding the aviation sector's regulator, the Civil Aviation Authority, for the 2020/2021 period.
- Temporary suspension of Air Passenger Duty, thus incentivising air connectivity in the recovery phase.
- Working with industry to agree a funding solution for the airspace modernisation programme.

Conclusion

As a sector we have engaged openly and constructively with Government across a wider range of departments. Yet despite this, we see little evidence that Government fully grasps the implications for the wider UK economy of allowing the aviation sector to continue to decline as it is currently. Without a successful aviation sector, your Government's ambitions to level-up the regions of the UK and to deliver a global trading Britain post-Brexit will be simply unachievable. We urge you and your Cabinet colleagues to act urgently to address this.

Yours sincerely,

Baroness Ruby McGregor-Smith, Chair, Airport Operators Association
Karen Dee, Chief Executive, Airport Operators Association

Derek Provan, Chief Executive, AGS Airports
Brian Ambrose, Chief Executive, Belfast City Airport
Graham Keddie, Chief Executive, Belfast International Airport
Nick Barton, Chief Executive, Birmingham Airport
Dave Lees, Chief Executive, Bristol Airport
Spencer Birns, Interim Chief Executive, Cardiff Airport
Steve Frazer, Managing Director, City of Derry Airport
Robert Hough, Chairman, Doncaster Sheffield Airport
Gordon Dewar, Chief Executive, Edinburgh Airport
John Holland-Kaye, Chief Executive, Heathrow Airport
Deborah Zost, Managing Director, Humberside Airport
John Irving, Chief Executive, Liverpool Airport
Robert Sinclair, Chief Executive, London City Airport
Stewart Wingate, Chief Executive, London Gatwick Airport
Alberto Martin, Chief Executive, London Luton Airport
Charlie Cornish, Chief Executive, Manchester Airports Group (MAG)
Nick Jones, Chief Executive, Newcastle Airport
Andrew Bell, Chief Executive, Regional & City Airports
Glyn Jones, Chief Executive, Stobart Aviation

CC: Rishi Sunak MP, Chancellor of the Exchequer

CC: Grant Shapps MP, Secretary of State for Transport