

## Government Response to the HoC Transport Committee's second report on:

"The impact of the coronavirus pandemic on the aviation sector: Government and Civil Aviation Authority Responses to the Committee's Second Report" – [click here](#) to see full report.

The key points to note from the Government's response are:

- recognition that the aviation sector is of national importance, and that prior to the Covid-19 pandemic, air transport contributed at least £14 billion to national GDP, and more than 130,000 direct jobs across the UK with air freight exports valuing £95 billion to non-EU countries in 2018.
- the Government has established the Expert Steering Group to work with the aviation industry on the immediate issues around restarting the sector and its longer-term growth and recovery. A longer-term strategy for recovery of the sector out to 2025 is being developed and is expected to be published this Autumn. It is expected to cover:
  - the return to growth of the sector;
  - workforce and skills;
  - regional connectivity and freight;
  - innovation and regulation;
  - consumer issues;
  - climate change and decarbonisation;
  - health, safety and security; and
  - the critical role that UK aviation plays in retaining the UK's global reach.
- The Government has already announced the formation of a **new 'Jet Zero Council'**, which will bring together Government, industry and environmental groups to make net zero emission flights possible. There is a real determination within the industry to make this a part of the restart and ensure that the recovery is as environmentally sustainable as possible.
- **Travel corridor** measures came into effect on 10 July and apply to England only, however, the devolved administrations have taken similar steps. The list of exempt countries and territories remains under constant review. The Government also states it will continue to consider whether other policy options could be used to further ease self-isolation requirements such as testing at the border.
- The DfT continues to discuss **Business Rate Relief** for airports in England and Wales and is working with HM Treasury to consider the points raised by airports.
- **APD** - there will be a consultation on aviation tax reform. As part of this consultation, the Government will consider the case for changing the APD treatment of domestic flights, such as reintroducing a return leg exemption, and for increasing the number of international distance bands. HM Treasury are keen to engage widely as part of this consultation, and would welcome input from businesses, individuals, trade and professional bodies and other interested parties.
- **Regional connectivity** – The DfT is working closely with industry through the Expert Steering Group to consider the most effective and deliverable interventions to support regional connectivity in both the short and medium term. Workstreams focusing on regional connectivity will continue beyond the publication of the Autumn recovery strategy and is supported by a permanent team in the Department. A £5.7million funding package of measures was announced in May temporarily supporting two airlinks, from Belfast and Londonderry to London, and associated airport services at City of Derry Airport and Belfast City Airport.
- **Slots** - The Government welcomed the EU's suspension of the 80:20 slot usage rules for the summer 2020 season, due to the impacts Covid-19 had on demand in the aviation industry. The EC is considering whether an extension to this waiver is necessary for the winter 2020 season (mid-September review of the position). The SoS has asked the EC whether they could give an earlier indication of their intentions, to allow industry to plan for the next season. The Government continues to closely monitor the situation and remains open to further discussion with industry. The CAA has no role in allocating slots at UK airports, a responsibility that sits with Airport Coordination Limited (ACL). Ultimate responsibility for changes to the policy relating to slot allocation sits with the UK Government. The CAA is working with the Government on the development of the aviation recovery strategy.
- **CAA's response to the Committee** – is set out at the end of the report from page 17.

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