

## **Minutes of Cross Party Group on Aviation**

Date: Wednesday, 27 February 2013

Location: Committee Room 5, Scottish Parliament

### **MSP Attendees:**

Colin Keir (CK) (Convener)  
Richard Lyle (RL)  
John Scott (JS) (Deputy Convener)  
James Dornan (JD)  
Bill Walker (BW)  
George Adam (GA)  
Chic Brodie (CB)

### **Non-MSP Attendees:**

Carol Benzie (CBe)	Aberdeen Airport
Sarah Campbell (SC)	Aberdeen Airport
Roddie MacPhee (RMc)	Barrhead Travel
Carl Pheasey (CP)	British Airways
Tom Norris (TN)	British Airways
Andrew McConnell (AMc)	easyJet
Hugh Aitken (HA)	easyJet
Stuart Young (SY)	Edinburgh Airport
David Birrell (DB)	Edinburgh Chamber of Commerce
Brian McClean (BMc)	Glasgow Airport
Amanda McMillan (AM)	Glasgow Airport
Mark Stuart (MS)	Highlands & Islands Airports Ltd
Roger Hage (RH)	Loganair
Derick Murray (DM)	Nestrans
Iain Cochrane (IC)	Prestwick Airport
Garry Clark (GC)	Scottish Chamber of Commerce
Janice Hogarth (JH)	Scottish Passenger Agents Association
Adrian Brown (AB)	Scottish Enterprise
Nathan Stower (NS)	Virgin Atlantic
Lorna Jack (LJ)	Edinburgh Airport (Secretary)
Roberta Bianchini (RB)	Office of Colin Keir MSP
Robert Munn (RM)	Office of Colin Keir MSP

### **Apologies:**

Malcolm Robertson	GIP
Gordon Dewar	Edinburgh Airport
Gordon Robertson	Edinburgh Airport
Malcolm Spaven	Edinburgh Flying Club
William Wilson	

Donald Morrison  
Denise Hill  
Ranald Robertson

Visit Scotland  
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<i>Description:</i>	<i>Action</i>
<p><b>Treasury reply to CPG’s letter requesting full review of APD.</b></p> <p>Group discussed the reply received from the Treasury in response to the CPG request for a full review of APD.</p> <p>All in agreement that the Treasury reply was standard, with no surprises.</p> <p>Independent PwC report on the impact of APD on the UK economy, commissioned by BA, easyJet, Virgin Atlantic and Ryanair. BA, easyJet, Virgin summarised the main findings</p> <ul style="list-style-type: none"> <li>• APD is second only to fuel duty as the tax that most distorts consumer behaviour and business decisions.</li> <li>• Abolition of APD would boost GDP by 0.5% in the first year and boost GDP by 0.25% over successive years</li> <li>• If APD was abolished the government would re-coop the lost £3Bn and an additional £500M from other taxes</li> <li>• APD is not a progressive tax. Lower income families taking an annual holiday spend a larger proportion of their household budget on APD than better off families.</li> </ul>	<p><b>Carl Pheasey to send an executive summary of PwC report. This will be used as basis of letter sent on behalf of the CPG to Chancellor George Osborne requesting a full review of APD. Keith Brown, Danny Alexander to be copied in.</b></p> <p><b>Copy of letter will be circulated to CPG.</b></p> <p><b>Convener will invite Treasury minister to attend the CPG</b></p>
<p><b>Route development fund – impact of EU prevention of state aid</b></p> <p>Airports and Scottish Enterprise have been in consultation on whether an EU compliant Route Development fund is possible. The consensus is that this is needed particularly during the recession. (AM)</p> <p>Scottish Enterprise has taken legal advice on state aid with a view to introducing a state aid compliant long haul fund. EDI and GLA deemed to compete with European airports and therefore any state aid is illegal. There may be scope to assist regional airports (PIK, ABZ, INV and other HIAL airports) with connections to Europe.(AB)</p>	<p><b>Scottish Enterprise to produce a briefing note for the CPG on what route development work they currently undertake.</b></p> <p><b>Convener to write a letter inviting Keith Brown to CPG and asking what strategy the Scottish Government currently has in place for aviation. The letter will also be sent to Scottish MEPs.</b></p> <p><b>Copy of letter will be circulated to CPG.</b></p>

<i>Description:</i>	<i>Action</i>
<p><b>US preclearance</b> – is there potential for passengers on US bound flights to clear US Customs and Border Protection before leaving Scotland?</p> <p>Group agree this would be worth investigating further.</p>	<p><b>Convener will write to US Consulate inviting Consul to attend the CPG to discuss the possibility of US preclearance in Scottish airports.</b></p>
<p><b>Festive period performance</b> – all reported back on festive period performance</p>	
<p><b>Regional access to Heathrow</b></p> <p>BA London Scotland frequencies are down but capacity is up as the BA and BMI timetables are integrated. (CP)</p> <p>Virgin Little Red services to ABZ and EDI from LHR will commence in April. (NS)</p> <p>easyJet direct connections to other London airport. New EDI-SEN service will start in May. (HA)</p> <p>Airports Commission is currently taking evidence - NESTRANS will be writing to promote London connectivity to North East Scotland (DM)</p> <p>Department for Transport is currently consulting on night flights at LHR, LGW and STN.  <a href="https://www.gov.uk/government/consultations/night-flights-consultation">https://www.gov.uk/government/consultations/night-flights-consultation</a> this will impact on passengers from US, Asia and Middle East making 1<sup>st</sup> wave connections into Scotland. (CP)</p>	<p><b>Convener to make a submission to the DfT Night Flights consultation which closes on 22 April 2013 highlighting the economic importance of inbound 1<sup>st</sup> wave passengers into Scotland</b></p> <p><b>Members to supply Convener with information/ examples of economic benefits of inbound passengers into Scotland who arrive into LHR on 1<sup>st</sup> wave arrivals</b></p>

Next meeting will be the AGM. Date of next meeting to be confirmed:

Details will be distributed in due course.