

Speech by Winfried Hermann: Board of airline representatives in Germany (BARIG) 16.9.2004

Aviation in Germany – the Green Position

Greens are not opposed to flying

In aviation industry circles the Greens and environmentalists are still regarded as opponents who have only one aim:

- to make flying more expensive, and
- preferably put a stop to it for environmental reasons.

That is a very sweeping judgment, not so say a preconception.

We can agree that the airplane is a means of transport which, like all means of transport, promotes mobility. And it has particular advantages: it is fast and covers great distances.

A few decades ago nobody could have imagined how many people, thanks to the airplane, would be travelling the globe in a fraction of the time it took in the past.

Most of us accept that you cannot get to America by bicycle and hardly anybody travels to Istanbul by train. And by the way, I personally like flying very much.

But transport policy is not a matter of taste. It is a highly rational affair which, as well as being concerned with promoting maximum mobility, also has responsibilities with respect to the wellbeing of people and the environment.

Flying undeniably has an impact on the environment, on people, on nature and on climate. We cannot ignore these consequences, although because of vested interests, this is unfortunately what often happens.

We want to reshape aviation to ensure its long-term sustainability. This means responding to environmental and, above all, climate concerns, as well as social and commercial interests.

We need an intelligent infrastructure

Air traffic has unquestionably become increasingly important in recent decades.

After downturns following 11 September 2001 and the SARS crisis in 2002, the aviation industry in Germany, too, is once again experiencing strong growth. Evidence of this expansion can be seen in the growth rates in passenger and cargo business.

- In the first quarter of 2004 alone passenger numbers on domestic flights in Germany increased by 2.1 per cent to 5.3 million.
- There was an even bigger increase of 12.3 per cent in passenger numbers on international flights to 11.1 million.

The chief concern must be, to manage this growth in line with the needs of society and the environment.

Air transport and the aviation industry are of course important economic factors for the Federal Republic of Germany.

Commercial airports have created a great many jobs and are the biggest employers in some regions.

As an exporting country Germany relies on good continental and intercontinental connections.

I mention these issues, which you, of course, take so much for granted because many people naturally assume that we Greens are interested only in the environmental aspects.

In order to create an optimum intelligent infrastructure, we need a closely integrated transport system covering the whole country. We need to link rail and air traffic intelligently.

Connecting international airports to the Deutsche Bahn rail network offers excellent possibilities in this respect.

Lufthansa's AIRail concept in Stuttgart and Cologne enables passengers to check in for flights at the train stations. We need more cooperation between the major airports. Since the end of June the ICE (inter city express train) has cut the travel time between the airports of Frankfurt and Cologne/Bonn to just 58 minutes. But at the moment there is only one direct connection. We have to change this and expand concepts of this kind.

Optimizing rail connections to airports is the only way of avoiding large numbers of short-haul links by air.

We are calling for an aviation infrastructure which is part of an intermodal transport concept in which air, road and rail links are coordinated with each other to create a system which guarantees mobility, avoids unnecessary traffic movements and cuts down on the amount of land covered over by roads and railways. In this way the need for mobility can be combined with environmental concerns.

An aviation master plan for Germany would also help to solve another problem: the seemingly unchecked development of regional airports served by the low-cost carriers.

But Germany needs not more than 2 to 4 intercontinental and round about 10 maby 15 national and European airports. It is not necessary for every intercontinental flight to pass through the bottleneck of Fraport. From the green viewpoint, however, it is economically and ecologically irresponsible to use public funds to develop regional airports all over the place which then have to attract low-cost carriers, because otherwise no-one would serve these provincial (air)ports.

Low-cost carriers

Low-cost carriers have enjoyed tremendous growth in the competitive aviation world. It is unlikely that all the newcomers will survive in the competitive climate.

Airlines such as Ryanair and Easyjet are attracting more and more customers with their cheap tickets. Although not always as cheap as the advertising suggests, some of the offers are incredible.

At the moment it is possible, for example, to fly with Hapag-Loyd-express from Berlin-Tegel to Naples for only 29.99 euro – including taxes and charges. One has to ask oneself, “How do they do that?”

The major part of the cost advantages enjoyed by the low-cost carriers (around 80%) derives from a business model based on:

- less comfort (more rows of seats),
- lower baggage transfer costs,
- high utilisation (keeping the aircraft in the air for longer),
- online ticket purchase and check-in procedures,
- low pay for staff

Many items are not included in the low ticket prices and are added afterwards: taxes, charges, insurance, etc.).

The consequences of the liberalisation of aviation

The declared aim of liberalising European aviation was to bring down prices. That did indeed happen and was good for consumers and the LCC brought a second wind of change. But it is senseless and irresponsible in environmental and climate protection terms and, ultimately, from the commercial viewpoint, for tickets to be dumped on the market at ridiculously low prices.

In a free market economy, it cannot be forbidden, when tickets from Berlin to Barcelona or from Stuttgart to Venice are regularly offered at below the taxi fare from the city in question to the airport. But is it prudent? Does that work in a long term?

It also shows that growth in aviation does not happen of its own accord. The “demand” is being engineered or stimulated; the public is, as it were, being seduced into taking cheap flights. The upshot is, that people fly away for a few days to a distant destination because it is cheaper than

taking the train somewhere nearer to home. We prefer the regional tourism.

In addition, competition from the low-cost carriers is stirring up the market at the expense of the major established airports. Already the major hubs are losing many customers to regional airports which are seldom located within easy reach.

For example: Hahn im Hunsrück Airport – served by Ryanair – was used by 2.4 million passengers, an increase of two thirds over the previous year, while its large neighbour, Frankfurt, on the other hand, recorded a drop of 0.2 % in the same period.)

One important cost factor is the heavily reduced take-off, landing and handling charges at the small regional airports. Local authorities often support the building of small airports in the hope that they will generate regional development and hence create jobs servicing passengers and at the airport itself.

We Greens, even as a party in government, cannot unfortunately block the creation of regional airports since airport policy is a matter for which the Länder are responsible.

We must therefore work with the Länder to improve airport planning or to ensure that responsibility for at least international/intercontinental airports is transferred to the Federation as part of infrastructure planning.

Climate protection and aviation

Aviation has a very serious ecological impact, particularly on the climate; aircraft noise and toxic emissions are also harmful to the environment and health.

Recent scientific findings reveal that the effects of aviation on climate have been considerably underestimated up to now. At high altitudes the damage to the climate caused by toxic emissions is between two and four times greater than at ground level.

But the major concern is that air traffic, in the wake of the growth in aviation, is estimated to contribute around 9% to the greenhouse effect through aircraft condensation trails and cloud formation. The Federal Environmental Agency of Germany anticipates a threefold increase in carbon dioxide emissions by 2030 from, among other things, German aviation. And it is more or less the same all over the world.

If these trends are allowed to continue unabated, all our painstaking efforts to cut greenhouse emissions on the roads, in business, in the energy industry and in private households will be cancelled out again by the growth of aviation. This cannot be right.

Giving tax breaks to aviation is therefore at odds with a responsible climate policy and hence with one of the central concerns of green politics.

Allow me to reiterate here:

We are not simply advocating making aviation more expensive; we are addressing a portion of the so-called external costs of air traffic.

We also want all modes of transport to be treated the same and the competitive disadvantages of other modes of transport, particularly trains, to be removed.

And we want incentives to encourage a reduction in kerosene and greenhouse gases.

We have to cut greenhouse emissions in transport by 2012 in order to fulfil the international climate protection obligations laid down in the Kyoto Protocol. From 2012 international aviation also has to be included in the climate protection regime!

One of the policy aims of the Federal Government is therefore to shift more traffic on to the railways. All transport policy decisions have to be guided by this aim. In addition we need fair competitive conditions, honesty with respect to costs and equal tax treatment for rail and air travel.

Atmosfair – a successful example of airfares which tell the ecological truth

The Federal Environment Ministry, in association with Germanwatch and the Forum Anders Reisen, has developed an initiative for climate-friendly flying.

The “Atmosfair” initiative is directed at people who cannot, or do not want to avoid flying, but, who are concerned about the effects of flying on climate.

Through this scheme, environmentally aware passengers will in future be able to calculate how many climate gases their flight will cause and pay a voluntary contribution to ensure that equivalent emissions are saved elsewhere.

The money raised is channelled to climate protection projects in developing countries which satisfy high environmental and social

standards. Passengers can pay the contribution either at the time they book their ticket or directly on the “atmosfair” website.

Projects: 10 industrial kitchens in schools and clinics in India are being equipped with solar heating installations to enable them to use the sun as their power source rather than diesel oil or wood, as they do at present. And 20 new jobs will be created at the same time.

General conditions under which aviation operates in Germany

Unfair competition between trains and planes

To ensure fair competition between different modes of transport, the general conditions under which they operate must be both fair and transparent and the principle of equal treatment must apply. This means that all modes of transport must compete on a level playing field, especially with regard to the taxing of road, air and rail traffic.

As part of its ecological tax reform, the red-green Federal Government has introduced a reduced rate of energy tax (of 1.142 cent/kwh) for rail traffic and a refund of mineral oil tax (of 5.402 cent/litre).

There are still, however, glaring differences in the tax treatment of rail and air transport. While airlines do not have to pay mineral oil tax on kerosene, or eco-tax or VAT on international flights, rail companies have to pay the full rate of mineral oil tax and also the full VAT of 16% on long distance passenger traffic.

This favourable treatment afforded to air traffic is unjustified in terms of tax and competition policy and is ecologically counterproductive.

The fact is that flying cheaply also means flying at a cost to the environment. The prices do not tell the ecological truth.

Value added tax

In all EU countries, with the exception, up to now, of Germany, rail traffic is either exempt from or pays a reduced rate of VAT.

This is why in future passengers in Germany will have to pay only a reduced VAT rate of 7% instead of the full rate of 16% for their long-distance rail tickets (at a cost of 200 – 300 million euro).

To fund this shortfall in revenue, we will have to abolish the exemption on VAT for international passenger air travel, which will raise approximately 500 million euro. Unfortunately the Bundesrat has so far blocked this move.

Kerosene tax

The EU energy tax directive paves the way for the introduction of a national kerosene tax, which makes very good sense in terms of environmental and competition policy.

It is important to ensure, however, that the level of the tax is not so high that it encourages “tank tourism”. It would be fiscal and ecological madness, if aircraft in Germany were to take off with half-empty tanks and schedule a stopover abroad to refuel.

We Greens continue to believe that we need a European solution, this could be the first EU-Tax. But if the process continues to drag on at European level, we think it is imperative to at least seriously consider the option of introducing a national kerosene tax.

This would be one step towards creating equal competition between the different modes of transport in terms of energy tax. It would also be a means of rating a portion of the enormous external costs of aviation on the principle of the polluter pays.

Noise abatement

Amendment to the Noise Abatement Act 2004

The amendment of the 1971 Noise Abatement Act is long overdue. For many people aircraft noise damages their health, sleep and quality of life.

This June 2004 the Federal Environment Ministry (BMU) presented a ministry draft amendment to the Noise Abatement Act. The relevant hearing of interest groups was held this week. The legislation is scheduled to be passed by the Bundestag in 2005.

The new version of the aircraft noise regulations is designed to give considerably more people in the vicinity of airports entitlement to soundproofing. The legislation provides for planning of new housing in high-noise areas around airports to anticipate and head off future noise conflicts more effectively. The bill requires the operators of larger civil and military airfields to finance the necessary constructional soundproofing measures, in particular the installation of soundproof windows, for residents in the vicinity of airports who are affected by noise.

Expanded scope of application

In future these obligations are to apply to all commercial airports, including the major commercial airfields used for scheduled or charter business and where the annual number of take-offs and landings exceeds 25,000. The bill covers both civil and military airfields.

Tighter restrictions

The restrictions relating to noise protection zones are to be tightened in line with the latest scientific findings and technology. The new requirements bring the regulations into line with the noise protection standards applying to the construction and expansion of roads and rail tracks.

For the first time the bill establishes night-time protection zones for airports operating at night. The aim of these new regulations is to protect those affected by the noise of night flights from disturbed sleep and related health problems.

The restrictions for daytime and night-time protection zones for large airport expansion projects are to be considerably tightened in order to bring facilities in line with the state of the art.

Optimizing noise measurement procedures

At present computational methods are used to calculate pollution from aircraft noise. The new legislation, however, provides for the introduction of a modernized and effective procedure to calculate and assess aircraft noise. This system is more in line with the procedures used to measure other sources of noise (road, rail, industry), which will make it easier to compare data.

Building restrictions

The Noise Abatement Act places considerable restrictions on construction projects in areas subject to high noise levels, hence pre-empting future noise conflicts.))

Costs and cost sharing

Over the next 10 years the amendment to the Noise Abatement Act will necessitate investment in noise protection measures. Current estimates by the Federal Environmental Agency put the cost of these measures at around 500 million euro for commercial airfields in Germany and around 100 to 200 million euro for military airfields. In order to take into account the financial impact on airport companies, the legislation allows in particular for the cost of soundproofing dwellings and other buildings requiring protection in daytime and night-time protection zones 1 to be spread over ten years. The amended legislation provides the aviation industry with the planning and legal certainty it requires. At the same time it enables the costs of soundproofing to be passed on to airlines, passengers and freight customers on the principle of the polluter pays.

Spread over 10 years the estimated cost would be around 1 to 2 euro per airfare.

More involvement of those affected

Under the amended legislation, the general public will be better informed and will have greater involvement in consultation and decision-making bodies.

The main thrust of the new legislation is:

- to improve the overall level of protection by introducing considerably tighter restrictions,
- to modernise and standardise noise calculation methods,
- to pay more attention and give greater weight to the effects of aircraft noise at night,
- to impose higher standards on airport planning and expansion, and
- to step up the involvement of the general public.

Further aircraft noise abatement instruments

It is also important for us to apply the relevant European instruments to protect against aircraft noise.

We believe that the balanced approach of EU Directive 2002/30/EC on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Community airports represents an important instrument for resolving noise-related conflicts at particular locations.

Implementation of EU Directive 2002/49/EC relating to the assessment and management of environmental noise, which provides for a standardised procedure to measure all sources of noise and noise mapping, as well as the formulation of action plans to combat noise, will help to minimise noise problems.

This is a long term project, but necessary.

Conclusion

Along with their benefits, aviation and the growth in air traffic pose ecological problems and have a damaging effect on the climate, environment and health.

It is the job of responsible policymakers to offer solutions to these problems, creating a fair compromise between commercial interests, the needs of residents and environmental concerns.

Any solution must be based on the principle of sustainability.

Air traffic can only go on developing in the long term, if policymakers ensure this fair balance.

The aviation industry should have an interest in ensuring that this fair balance is upheld, since this is the only way of ensuring, that aviation remains acceptable on a long-term basis.

I tell you that as a multi-flyer and multi-biker.

Thanks for listening.