



29 September 2011

Rt Hon George Osborne MP
 Chancellor of the Exchequer
 HM Treasury
 1 Horse Guards Road
 LONDON
 SW1A 2HQ

Dear Chancellor

Regional airports and airlines warmly welcome your decision to reduce taxation on air services from Northern Ireland. We trust this will pave the way for reductions on services from **all** the UK regions outside of London, to support economic growth and the 'rebalancing' of the UK economy.

As you will be aware, we have long argued that Air Passenger Duty (APD) has a disproportionate impact on the regions, including those that rely on crucial lifeline air services. Regional airports and airlines have a lower percentage of business travellers or inbound tourists than the London airports, and have been hit hard by economic downturn. That's not just bad news for our businesses. It's bad for jobs, bad for inward investment and bad for wealth creation in the UK regions. If the Government is serious about truly rebalancing the economy, then decisive action is needed on behalf of the 86 million passengers that fly from our airports.

We would strongly urge you to use your Autumn Statement to abandon the 'one-size-fits-all' approach to APD. Regional airports and airlines stand ready to help the Government in its ambition to create 'better not bigger' London airports, with regional airports taking more of the strain. But if a 'one-size-fits-all' approach to aviation taxes continues, we will simply be unable to deliver on this.

We believe the Government should provide economic incentives to encourage airlines to make better use of those regional airports where capacity is available. A 'congestion charge' on the busiest London airports, or a lower rate outside of London, could have a transformational impact in terms of protecting key routes and attracting new ones.

The decision to vary taxes in Northern Ireland is a bold and decisive move. It signals the Government's responsiveness to the plight of regional airports and airlines and paves the way for the ending of the one-size-fits-all approach.

Given that there is to be no new capacity in London for the foreseeable future, we would urge you to look at creative solutions to make best use of the infrastructure we already have, and to support the rebalancing of the UK economy. That would truly deliver 'better not bigger' airports, not just for London but for the UK as a whole.

Yours sincerely

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 Birmingham Airport

Robert Sinclair
 Bristol Airport

Matt Roach
 Exeter Airport

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