

# 3.

## MAKING EXCESSIVE FLYERS PAY: FREQUENT FLYER LEVY & AIR MILES LEVY

*“The jet-setting habits of Bill Gates and Paris Hilton mean that they produce an astonishing 10,000 times more carbon emissions from flying than the average person”, finds a recent study.<sup>1</sup> 1 % of English residents are responsible for nearly 20% of all flights abroad; 10% most frequent flyers took more than half of the flights abroad.<sup>2</sup> Flying shows climate injustice in its most extreme form—a few wealthy are most responsible for the harm, while large majorities worldwide never or rarely fly. Two possible measures could tackle this injustice: a Frequent Flyer Levy (FFL) or an Air Miles Levy (AML).*

The taxes discussed in the previous chapter are meant to reduce aviation industry’s unfair tax exemptions. The issue is that these taxes remain the same across the board, hardly affecting upper class frequent flyers. But why should a businessman on his sixth flight to his Tuscan villa in one year be taxed at the same rate as someone who flies to visit family on another continent every second year? Could the taxes be combined with a levy targeting the small, privileged minority responsible for most flights and distances? Could such a levy constrain the demand for multiple or long-distance flights?

The Frequent Flyer Levy (FFL) proposes to make each flight taken within a given time period progressively more expensive, thus incentivising fewer flights. The FFL has been promoted for many years by the UK organisation, *A Free Ride*,<sup>3</sup> with a campaign for ‘a free flight a year’, meaning a ‘levy free flight’. However, if every person on Earth flew once a year, climate emissions would skyrocket. Therefore, a slightly different model is proposed in

this chapter, progressively raising higher fees during a longer time period, and also imposing higher levies. One option could be to have one levy-free first flight every three or four years, the second flight would have a levy of e.g. 150 euro, and with each additional flight the levy doubles. In the best case, the rates would be different for economy than for business or first class tickets, because first class seats produce up to seven times the emissions of an economy ticket.<sup>4</sup>

The Air Miles Levy (AML) makes distance flown progressively more expensive and arises from an October 2019 report<sup>5</sup> commissioned by the UK Committee on Climate Change, which evaluated the FFL and other means for reducing aviation. The AML becomes more expensive in steps of cumulative distance flown during a 3 or 4 year period, and would also impose higher rates for business and first class, or very high ones for private jets. Carmichael explains in his report: “By factoring-in distance, the levy would be more closely linked to emissions [than

the FFL] and fall more heavily on those polluting more. It would also more effectively discourage long-haul flights: as most flying is for leisure, some shift from long-haul to short-haul destinations would be expected, delivering further emissions reductions.”

Because lower income groups fly the least, the FFL or AML would mainly affect wealthier people. Depending on the level of the levy, the FFL could considerably reduce frequent flying. However, in and of themselves, these levy schemes are probably not sufficient in addressing the aviation sector’s environmental impact. They must be combined with other measures discussed throughout this report. In particular, they should be combined with policies aimed at ending aviation’s privileges (see **chapter 2**), and at fostering alternative transport modes, both (night) trains and climate-friendly ships for long-distance travel (**chapter 6**). The revenues obtained through the FFL or AML can be used to make climate-friendly mobility accessible for all, especially in the Global South. Also, a just transition fund could be founded for those regions who suffer from economic losses by a decreasing tourism sector (see **Info Box 3**). The levy could therefore contribute to climate justice (see **Info Box 2**).

No FFL or AML measures are currently implemented, as the few existing instruments tax every ticket/person equally. However, in other sectors some examples of progressively taxing environmentally damaging consumption do exist. One is the UK’s Vehicle Excise Duty, which put an escalating tax on cars according to their carbon emissions. It was successful in encouraging car owners to buy smaller, cleaner cars (until it was changed in 2017).

#### ADVANTAGES OF LEVIES OF EXCESSIVE FLYING

The goal of the FFL policy is to contribute to social and climate justice. The numbers are quite clear: even with low-cost aviation on the rise, large disparities and inequalities in aeromobility exist between and within nations, along the lines of social classes, ethnicity and gender. Despite the fall in relative prices, survey data indicate that the vast majority of low-cost flights are taken by more privileged social classes.<sup>6</sup> Contrary to arguments from the airlines, in relative terms, the distribution of flying has not become more equitable across social class. Low-cost air travel is therefore not ‘democratising aeromobility’.<sup>7</sup> Hence any tax on aviation would be relatively progressive, if one takes the entire population into account.<sup>8</sup> Globally, only 3 per cent of the population flew in 2017, and some 90% of the global population has never flown.<sup>9</sup> In Germany, only 8% of the entire population fly more than twice a year.<sup>10</sup> This means that very few frequent flyers cause an enormous amount of climate impact. These numbers demonstrate the importance of focusing on the hypermobile elite<sup>11</sup> in the efforts to degrow the aviation sector.

The purpose of an FFL or AML is not to try to factor in the social cost of carbon to the price of a ticket. Instead, the levies are targeted to deliver a specific outcome: reduced demand for air travel against unconstrained levels, to help restrain aviation emissions within safe limits for the climate, and to do so in a way that is just and potentially politically feasible. FFL or AML are per design more progressive policy instruments than a kerosene tax, a ticket tax or a carbon tax. One key advantage is that the levies might be more socially acceptable than general increases in taxes on aviation or kerosene, due to the disproportionate impact on wealthy frequent fliers, and thus potentially politically more attractive. A survey on public attitudes to the FFL in the UK found that a FFL is perceived to be fairer than and preferable to any of the other options for reducing air travel—although it has to be kept in mind that the FFL model in UK promotes a pretty low levy and a ‘free flight a year’, instead of every couple of years.

The primary focus of the FFL on the *number of flights* can be decisive for communication purposes. While in combination with other policy measures flying will become more expensive and restrictive for all, the FFL ensures that this is particularly so for frequent flyers. Low income passengers who want or need to take a long-distance flight once every couple of years—such as migrants visiting families in other continents—are not the primary target of this levy. Reducing the number of flights is also the key demand of communities impacted by noise around airports. However, the FFL falls more heavily on people taking several short-haul flights than on those taking fewer but much more damaging long-haul flights. A flight from London to Melbourne Australia has approximately 15 times the impact of a London-to-Barcelona flight.<sup>12</sup>

By targeting *cumulative distance flown*, the AML targets those who pollute more, so it is closely linked to emissions contributing to the climate crisis. It encourages shortening one’s average travel distance, and discourages more than one long-haul flight every few years, something a straight carbon tax or FFL does not do. In this regard, the AML might be more fair in climate-terms than the FFL. A disadvantage might be that the AML might not inhibit people from taking short-haul flights which could be easily shifted to trains or buses—while longer trips that might be necessary for some who have family in other continents cannot easily be replaced because of the current lack of climate friendly and affordable ferries. Carmichael points out that with an AML, people will avoid shorter trips, in order to not rack up miles that will increase the levies charged on their longer trips. To what overall relative degree an FFL may inhibit short-haul more than an AML has yet to be studied.

## OBSTACLES AND CHALLENGES TO IMPLEMENTING THE LEVY

As with all other policy proposals aimed at degrowing aviation, there will be massive and coordinated opposition from the aviation industry and, in the beginning, from politicians and the general public. Regarding the FFL and AML, however, one should expect resistance from the most powerful in society, the mobile elites that do not want to give up their privileges, including many lawmakers. This is supported by studies that have shown that a large share of aviation emissions are caused by a relatively small group of highly mobile and hypermobile travellers that usually represent the political, economic and cultural elites of society.<sup>13</sup> There is a crucial job of raising public awareness of the fact that climate targets cannot be met without constraints on air travel, and to also build opposition against the irresponsible and powerful frequent flyers. Meanwhile, more sustainable modes of long-distance transportation must be made attractive to support a change in public opinion.

One disadvantage is that for those wealthy enough to be largely insensitive to price, neither FFL nor AML may be sufficient to reduce their flying habits. Here, another kind of regulation would be necessary, such as a general ban on short haul flights that affects all flyers equally (see **chapter 3**), or of course measures that tackle inequality and wealth as such.

One issue concerns the framing of the levy: Campaigning for 'one free flight every 3 years' might make the law more popular; however, it suggests that one flight in this period is a human right, while it is actually also too much if planetary boundaries are to be respected. Thus, in communicating a levy proposal, it is important to clearly distinguish it from and communicate in combination with the other taxes that are necessary to degrow aviation in the face of the climate crisis in general; the FFL/AML being an additional instrument aimed specifically at frequent flyers.

There are a number of challenges that need to be addressed if one wants to introduce a levy. The levy could in principle be operated in every country, ideally as a globally uniform tax. However, due to a lack of strong international institutions which could impose such a levy (there are no global taxes/levies yet), it could first be implemented in individual countries or regions, like on an EU-level. In this case the levy would be determined at the EU and collected nationally. The levy would apply to both domestic and international flights.

Tracking unique passenger characteristics to calculate the levy might require new systems. The introduction of a levy could steer a critical debate regarding data protection, as flight data would have to be stored. An alias-based system, that uses identity codes to secure comprehensive protection of data security could possibly provide a solution. A levy scheme needs to ensure that airlines' sharing

of this data among themselves is restricted to levy purposes only. This could be regulated by the standard aviation authorities.

A levy might be more complex to administer than the current or alternative aviation tax arrangements. This was the pretext used by the Scottish Government when refusing to consider an FFL as an alternative to the Air Passenger Duty. Implementing a levy will entail changes to the customer journey when purchasing plane tickets, which the industry will try to resist. That is why it needs to be made as simple as possible.

## FURTHER READING

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<sup>1</sup> Gössling (2019)

<sup>2</sup> Kommenda (2019)

<sup>3</sup> A Free Ride (2017)

<sup>4</sup> Carmichael (2019)

<sup>5</sup> Carmichael (2019)

<sup>6</sup> UK Civil Aviation Authority (2016)

<sup>7</sup> Cwerner et al. (2009)

<sup>8</sup> Bishop and Grayling (2003)

<sup>9</sup> Die Zeit (2019)

<sup>10</sup> Tagesschau (2019)

<sup>11</sup> Jacobin Magazine (2019)

<sup>12</sup> Carmichael (2019)

<sup>13</sup> Gössling et al. (2009)

# 4.

## SETTING LIMITS ON FLIGHTS

*Setting absolute limits on aviation is theoretically the easiest and most secure way to guarantee the industry's contribution to climate mitigation targets. Arguably, such measures are also preferable from a fairness perspective, as bans do not differentiate between rich and poor, but are mandatory for everyone. While absolute environmental limits seem politically difficult, the idea of caps on short-haul flights has been gaining momentum.*

From an environmental and justice perspective it is clear that the number of flights and cumulative air travel distances must be reduced to a necessary minimum as soon as possible. The remaining flights will need to be allocated in the most equitable way possible or for the greatest public good—as part of the total remaining carbon budget and in line with climate justice. On a global level, this policy could be implemented through a cap-and-share mechanism,<sup>1</sup> although such a global scheme is unlikely to be introduced soon. However, with the climate movement gaining momentum lately, it is arguably realistic for some limitations to be imposed on air travel, especially bans on short-haul flights.

In 2001, the EU White Paper on Transport stated, “We can no longer think of maintaining air links to destinations for where there is a competitive high-speed rail alternative.”<sup>2</sup> Still, no caps or bans on flights exist. However, in 2019, politically relevant calls have been made for bans from several quarters. In a May 2019 debate, two candidates for president of the European Union addressed short-haul flights. Frans Timmermans (now vice president of the European Commission) called for a total ban on them, and conservative Manfred Weber instead advocated for reducing their number.<sup>3</sup> In March, members of the Dutch parliament demanded a ban on flights between Brussels and Amsterdam.<sup>4</sup> German climate expert Hans-Joachim Schellnhuber argued that prohibiting domestic flights within Germany should be one of the government's high priorities, and he proposed a per person lifetime limit of 20 flights of any length.<sup>5</sup> In June, several French MPs tried to amend a mobility bill to ban flights between

airports if a rail link exists that takes no more than 2.5 hours longer than flying.<sup>6</sup>

Air travel is still primarily an elitist mode of transportation, with the biggest share of flights taken by the wealthy minority. For example, in 2018 the top 10% of frequent flyers in England took more than half of all international flights.<sup>7</sup> Therefore, the general public might be in favour of air travel reform. In a YouGov poll conducted in the United Kingdom in August 2019, two thirds (67%) of the people interviewed said that air travel should “definitely” or “probably” be limited to tackle the climate crisis.<sup>8</sup> A reduction of short-haul flights seems to be the easiest way to reduce flying between city pairs where alternative transportation options already exist or are being built. For example, the Western European railway network can replace a large proportion of short-haul flights (see **chapter 6**).

In general, different forms of limits, bans or caps on (short-haul) flights could follow in succession, among them:

- Immediate bans on flights with rail alternatives of 4-5 hours.
- Immediate bans on domestic flights, especially in smaller countries.
- Caps on the number of short-haul flights between specific airports could be an intermediate step (e.g. a maximum of two flights a day between them, instead

of seven) before making a complete ban. This would need to go along with building added capacity of alternative transport modes.

- Airport-specific caps on the number of flights, toward meeting emission targets and limits on noise, fine particulates and other air pollutants (see also **chapter 5**).

### ADVANTAGES AND OBSTACLES OF CAPPING FLIGHTS

The climate advantage of alternatives like trains and buses is tremendous, and a rapid shift to them is feasible if efforts are made. Short-haul flights have poor economic profitability because of their lower occupancy rates compared to international flights. They are often continued by airlines and alliance partners in order to feed their international and intercontinental hubs, and for fear of losing their historic ('grandfathered') slots in airports (due to the 'Use it or lose it' rule). The slot regulations are not only inefficient but are also counterproductive in terms of climate protection.

A main advantage of bans on short-haul and/or domestic flights is their inherent effectiveness in reducing emissions. In addition, they are more socially just than market and price mechanisms, because their effect is universal regardless of wealth. Some use short-haul flights for routine transit, such as those living in one city and working in another, or companies with multiple locations to administer. This form of work life can be quite exhausting and hard to combine with relationships and family life, so banning such flights may help reform harmful work norms and promote alternatives such as video conferencing (see **chapter 6**).

Banning short-haul or domestic flights could cause the shutdown of many regional airports. This might also have positive economic effects, as regional airports most often make high losses and are only kept alive with subsidies (see **chapter 5**). Jobs could be created in the railway sector instead. In addition, a multimodal and sustainable approach to (public) transport is voiced in many official government papers, but not yet implemented. The shift from short-haul flights to alternatives is a low-hanging fruit of climate mitigation, but obviously still hangs too high for most of today's politicians.

The feasibility of banning short-haul flights depends on the extent and quality of a country's train and highway networks. Since those conditions vary among countries, there is no one-size-fits-all approach to eliminating these flights. Limiting domestic aviation in economically growing countries in the Global South might clash with issues of global justice and their lower historical responsibility for environmental problems like the climate crisis. Therefore, the highly industrialised countries must lead the way.

### STRATEGIES TO IMPLEMENT LIMITS ON FLIGHTS

In global climate governance, aviation has continuously been omitted. Environmental caps like per capita resource entitlements or cap-and-share mechanisms have not yet been implemented, as market-based mechanisms have been the preferred tools since the beginning of neoliberalism. Nevertheless, due to the consequences of the climate crisis being increasingly felt today, as well as the climate movements getting stronger, momentum is building for measures like bans, absolute caps and cap-and-share mechanisms. Researchers, campaigners and activists should advocate for such measures as legitimate ways to tackle the climate crisis, without fear of being singled out as being radical or limiting others' freedom.

As a start, banning a few short-haul flights is a realistic goal. If it proves successful, this effort can expand rapidly, especially if there are no significant consequences for travellers. With further success, the possibility for a more general limitation of aviation may arise. Success hinges on pre-existing or planned modes of alternative transport (see **chapter 6**), as well as a cultural shift from boundless to conscious mobility.

### FURTHER READING

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- 1 Friends of the Earth Europe (2018)
- 2 European Commission (2001: 38)
- 3 The Washington Post (2019)
- 4 View from the wing (2019)
- 5 Clean Energy Wire (2019)
- 6 Massy-Beresford (2019), The Connexion (2019)
- 7 Kommenda (2019)
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