

Speech: Lord Callanan's keynote address to ABTA Travel Matters conference

Introduction

I'm grateful for the opportunity to speak this morning (28 June 2017).

If there's one thing that ABTA seems to be good at, it's timing.

Last year you scheduled the Travel Matters conference on what turned out to be the day before the EU referendum.

I trust that gave you plenty to talk about.

This year's was timed even better:

- right after a general election
- just as we kick off formal Brexit negotiations with the rest of the EU
- and just in time – I am pleased to say – for me to deliver my very first speech to industry as a DfT minister

It's a real privilege to have been asked to serve in this role.

And at such an important time for our aviation and travel industries.

Right at the outset, I'd like to make something clear.

Amid all the change and inevitable uncertainty of the moment – and I'll talk more about that shortly – one thing isn't going to change.

This government will remain a pro-aviation, pro-travel government.

Before the election, the government had already set a clear direction.

One of its first actions last summer was to approve a [major expansion of City Airport](#).

Next we negotiated the first ever UN Security Council resolution on aviation security.

To confront the terrorist threat with all the co-operation, training and technical assistance available.

A month later, we [signed a deal with China](#) to allow many more flights between our countries.

We followed that up by announcing our support for a [new runway at Heathrow](#).

Then we ran a consultation on [modernising our airspace](#).

Let me be clear.

Our airspace is a piece of national infrastructure as important as our roads and railways.

I know that our proposals matter to this industry and we are grateful for your support.

A week after we began that consultation, we signed a deal in India to allow more flights between our countries.

Soon we'll be publishing a call-for-evidence for the government's aviation strategy – our plan for how we can best support the industry in future.

So the direction is clear: we're a government that recognises the vital importance of air travel to our country.

But we also recognise that this is a challenging time for the industry.

A year ago, the British people voted to leave the European Union.

And last week we began formal negotiations to do just that.

Now, I know that this industry wants certainty, and quickly.

So does the government.

So does the rest of the EU.

It'll be some time yet before we can deliver that certainty.

We've only had 1 full day of negotiations so far.

But what I can say is that the early signs are encouraging.

Michel Barnier – the European Commission's Chief Negotiator – said last week that an orderly UK withdrawal is his priority, along with an end to uncertainty .

And his concluding comment at the end of that first day of negotiation was that, and I quote:

For both the EU and the UK, a fair deal is possible and far better than no deal.

That is why we will work all the time with the UK, and never against the UK.

And as we proceed with those negotiations, securing the best possible access to European aviation markets is a priority.

And I believe we should be confident.

Our aviation market is the biggest in Europe.

You serve millions of EU nationals and every year carry millions of UK holidaymakers to EU destinations.

It's in the interests of the UK, the EU, European countries, and everyone who travels between them that we seek an open, liberal arrangement for aviation.

Of course, the final outcome will have to await the conclusion of negotiations.

Long-term prospects for aviation

But whatever happens, the long-term prospects for this industry are strong.

Earlier this year, PWC published a [detailed report](#), looking at how the global economic order will change by 2050 .

Their forecast is that:

- the UK will be the fastest growing economy of the G7 over the period to 2050
- we should grow faster than the EU average
- and that we should do better than other big economies, such as France and Germany

Clearly, that growth is going to create new demand for international travel.

But it is also predicated on more international travel.

As PWC's report makes clear future growth requires deeper links with the world's other fast-growing economies, many of which are not on our doorstep.

That's why in the years ahead the aviation and travel industries will be so vital.

That's why we were keen to sign those deals with China and India to allow many more flights between our countries. And that's why we took the decision to support a new runway at Heathrow.

Heathrow

Let me say a little more on that decision.

None of us like to see our airports being overtaken by competitors.

But that's what has increasingly happened in recent years.

Unless we get this runway built, that slide could continue.

Yet when built, it could increase passenger choice, lower fares, and give the

UK room to grow our travel links for decades to come.

Of course, one reason we opted for Heathrow is its potential for strengthening our domestic links too.

That means strong surface access links – but also new domestic flights.

The years I spent working as a member of the European Parliament gave me a real appreciation for how domestic links serve international travel.

So it's good news that Heathrow Airport has promised 14 domestic routes, and that's what we'll make sure the airport delivers – for the good of the whole United Kingdom.

I'd also like to take this opportunity to thank everyone who responded to our [consultation on the draft airports national policy](#).

We're making good progress analysing those responses and will set out the next steps as soon as possible.

ATOL Bill

But finally, I'd like to touch on 2 regulatory issues that I know are of interest to the sector, both of which were addressed in the Queen's Speech.

First, the [Air Travel Organisers' Licensing Bill](#).

Every year, ATOL protects over 20 million people from losing money or being stranded if their tour operator goes out of business.

It's an important scheme, and it gives consumers confidence in this industry.

But in an evolving travel marketplace, we need to ensure the scheme keeps pace.

For instance, online booking means that customers have a wider choice of providers – including those based overseas.

Yet not every European travel provider is covered by the same level of protection.

That is why the EU is now updating its regulations.

To bring much of the rest of Europe closer to the model we have operated since we updated ATOL in 2012.

At the same time, it makes sense for us to harmonise our domestic regulations with those coming in across the EU – making it easier for you to trade across Europe.

That's what the ATOL bill will do.

It's a sign that, even as we ready to leave the EU, we will still be working

in close partnership in the years to come.

I am grateful for the support we have already received from the industry on this.

And look forward to more of that support as the bill makes progress through Parliament.

Financial Guidance and Claims Bill

And finally, our [Financial Guidance and Claims Bill](#), which is being taken forward by the Department for Work and Pensions, should address a very current concern and one that I know you are discussing later today: false sickness claims.

Many claims of sickness are made following contact by claims management companies.

Now, it would be wrong to tar all such companies with the same brush.

The number of rogue operators may be relatively small.

And, in any case, the government will always remain firmly on the side of the passenger.

That is what the public would expect.

Genuine claimants must be protected.

But the evidence suggests that there is a real issue here.

In one recent year, almost a quarter of claims companies faced regulatory intervention of some kind.

And the public seems to agree that there's a problem.

A 2015 survey by the Legal Ombudsman found that over three quarters of people do not believe that claims companies tell the truth.

So our bill proposes to bring claims companies under the proper oversight of the Financial Conduct Authority for the first time.

It also provides the FCA with a new power to cap the fees that claims companies charge, protecting consumers and reducing the incentive for rogue firms to fuel exaggerated claims.

We think that giving the FCA these new powers should help tackle the worst of the behaviour we've seen.

I'd be very interested to hear the result of your discussion later today.

And the government would be grateful for your support as the bill progresses through Parliament.

Conclusion

But in conclusion, I'd like to repeat what I said at the beginning.

This is a pro-aviation, pro-travel government.

The country needs this industry.

For our economy and for the global links that you provide.

So I'll be a minister who wants to see this industry delivering.

Not just for our customers, but for the UK as a whole.

Thank you for your time.

[News story: Mark Field welcomes continued UK-China dialogue on human rights](#)

Following the conclusion of the regular talks, Minister Mark Field welcomed their contribution to the UK's relationship with China.

Minister for Asia and the Pacific Mark Field said:

I am pleased that the 24th Round of the UK-China Human Rights Dialogue has taken place. Senior officials discussed the full range of our human rights concerns, including freedom of expression, freedom of religion or belief, access to justice and ethnic minorities' rights. They also discussed areas where the UK and China could collaborate more closely, including modern slavery and women's rights.

The UK strongly believes that respect for human rights is vital for growth and stability, and that these regular talks are an important part of our relationship with China. The dialogue has, once again, been held in a constructive and open manner. I am grateful for the valuable contribution made by civil society organisations before and during this exchange.

The 23rd UK-China Human Rights Dialogue took place in October 2016 in London.

Further information

[News story: Introduction of Space Industry Bill shows UK's commitment to commercial spaceflight](#)

The Bill, which was outlined in the Queen's Speech, is a clear signal of the UK's commitment to enabling commercial spaceflight from UK spaceports, and a key part of the Government's Industrial Strategy to ensure the UK businesses capture a share of this emerging global market.

Lord Callanan, Parliamentary under Secretary of State for Transport introduced the Space Industry Bill, which is a joint initiative by the Department for Transport, UK Space Agency and Civil Aviation Authority supported by the Health and Safety Executive.

Universities and Science Minister Jo Johnson said:

The Space Industry Bill will ensure the UK remains a leading player in the commercial space age by enabling small satellite launch from UK spaceports. The measures in the Bill will help make the UK the most attractive place in Europe for commercial launch and enable UK businesses to capture a growing share of this emerging global market.

The emerging markets for small satellite launch and sub-orbital flight are forecast to be worth over £25 billion globally over the next 20 years. They offer exciting opportunities to grow the UK space sector, create local jobs and inspire the next generation of British scientists and engineers.

The main elements of the Bill are:

- new powers to license a wide range of spaceflight activities, including vertically-launched rockets, spaceplanes, satellite operation, spaceports and other technologies
- a comprehensive and proportionate regulatory framework to manage risk, ensuring that commercial spaceflight in the UK remains safe
- measures to regulate unauthorised access and interference with spacecraft, spaceports and associated infrastructure, drawing on the UK's extensive expertise – particularly in aviation security
- measures to promote public safety by providing a regulatory framework to cover operational insurance, indemnity and liability

This legislation will ensure the UK can take advantage of new markets, overcome dependence on foreign launch services and benefit from the development of new spaceports and supply chains.

Statement to Parliament: EU Transport Council 8 June 2017

The only Transport Council under the Maltese Presidency (the Presidency) took place in Brussels on Thursday 8 June. The UK was represented by the UK's Deputy Permanent Representative to the EU, Katrina Williams.

The council adopted a general approach on lorry and bus driver training (Driver CPC Directive) as well as council conclusions on road safety and the EU's maritime priorities. All 3 were widely supported by member states. The UK intervened to support the road safety conclusions, welcoming the elements related to safer road infrastructure and connected and autonomous vehicles, and highlighting the UK's Safer Road Fund.

Under any other business, a range of items were discussed. The Commission presented its new mobility package of proposals which aims to modernise the road transport framework and strengthen the competitiveness and social standards of the EU road haulage sector. Some member states supported stronger social standards in the road transport sector while others felt the Commission's proposals did not sufficiently support liberalisation in the sector. A number of member states called for the political and geographical balance of the proposals to be carefully considered.

The Presidency provided information on the progress of the trilogue discussions with the European Parliament on a Professional Qualifications in Inland Navigation Directive and the European Aviation Safety Agency (EASA) Regulation. Overall member states welcomed the substantial efforts of the Maltese Presidency in negotiations to date with the European Parliament.

The Commission presented an overview of the 'open and connected Europe' aviation package which was published on the morning of the Transport Council. The package includes a proposal to revise Regulation (EC) No. 868/2004, guidelines on airline ownership and control, guidelines on public service obligations and best practice on minimising air traffic control disruptions.

Sweden provided information on her approach to protection against acts of terror in road transport in light of the terrorist attack that occurred in Stockholm in April. The UK intervened to express its solidarity and emphasise the importance of this issue and of sharing best practice, supported by other member states. Those who intervened offered condolences to the UK following the London Bridge attack on 3 June.

In addition, the Commission updated the council on recent developments on aviation security and the Netherlands asked the Commission to provide information on their work on social issues in aviation. Luxembourg urged member states to speed up the implementation of the European rail traffic management signalling system (ERTMS) and presented the work she had done to develop a blue-print EU cycling strategy. Germany flagged the high-level dialogue on connected and autonomous driving that would take place in Frankfurt on 14 and 15 September and the Estonian Presidency presented its work programme for its presidency beginning 1 July 2017.

Over lunch Commissioner Bulc led a discussion on an initial strategy at the International Maritime Organisation (IMO) on reducing greenhouse gas emissions from ships.

Press release: Defence Secretary announces £48 million Apache training contract

Defence Secretary Sir Michael Fallon today announced a six-year £48 million Apache helicopter training contract at the annual Royal United Services Institute (RUSI) Land Warfare Conference.

This investment in Apache air and ground crew will support around 70 jobs in Dorset, Hampshire and Suffolk with Aviation Training International Ltd (ATIL). Around 700 Army personnel will go through the training scheme per year, including around 50 pilots and 400 ground crew.

While addressing the challenges which face today's armies, the Defence Secretary also announced new measures to meet global information and cyber threats by bolstering and reorganising the Army's Royal Corps of Signals and Intelligence Corps.

The Royal Signals will receive an additional regiment to enhance its cyber capabilities, so it can distribute information rapidly and effectively; while the Intelligence Corps will be organised to focus on counter-intelligence, security, and cultural understanding.

Defence Secretary Sir Michael Fallon said:

This £48 million contract will support UK jobs and provide world-class Apache training for our personnel. The Apache is a vital part of the British Army's fighting force that is helping to keep this county safe.

We are also preparing our forces for the battlefields of tomorrow in an era of complex global challenges by ensuring our formidable Signals and Intelligence Corps are ready for the information warfare of the 21st Century.

This investment is only possible thanks to a rising defence budget and a drive for efficiency and innovation which will help our Armed Forces stay at the cutting edge.

The Land Warfare Conference is the annual forum for Chief of the General Staff, General Sir Nicholas Carter, to discuss the global challenges facing land forces. This year's theme is Using Land Power Decisively in an Era of Constant Competition.

Yesterday, General Carter opened the conference with discussion about the value and future of land power in a changing, increasingly complex world. He challenged the conference to address issues of information warfare, recruitment training, and innovation to keep land forces relevant on the 21st Century battlefield.

General Sir Nicholas Carter said:

The global strategic context is complex and dynamic; indeed its defining condition seems to be one of instability. The pervasiveness of information is changing the character of conflict opening new ways for state and non-state adversaries to exploit ambiguity, blurring the boundaries of peace and war.

This conference has seen an impressive group of panel chairs, speakers and serving personnel tackling some of the key issues surrounding the utility of land power in this era of constant competition.