

SRG Charges Consultation 2005
Summary of representations received from charge payers and interested parties

Comments received from charge payers and other interested parties have been summarised on the following pages. The comments have been organised into the following themes:

1. Consultation process and impact assessment of proposed changes
2. Representations relating to impact on GA community
3. DfT/Government issues
4. Suggestions for delegating regulatory tasks to industry
5. SRG budget and cost allocation
6. Cross subsidies and “ability to pay”
7. Suggestions for improvements and future reviews
8. EASA developments
9. Charging principles
10. Industry concerns with JRT
11. Industry comments on basis of calculating new charges
12. Other

Theme	Scheme	Topic	Charge payer comment	Number of comments*
1	General	Consultation standards and impact assessment	Inadequacy of consultation to any democratic standards and especially those required by government in respect of published best practice. Therefore all aspects of the JRT Report and its proposed implementation should be open to consultation and subject to agreed amendment. Why does the CAA continually refuse to carry out RIAs? CAA deflected this requirement on the grounds that a RIA would only be needed to support changes which require amendment to the Civil Aviation Act and/or the ANO. However, not sure the Cabinet Office would agree on this view. The Cabinet Office says that a RIA is not required where the change follows pre-determined formulas. Implication is that a RIA should have been produced.	9
1	General	Understanding of relationship between SRG charges and user groups	The report presents no evidence as to the proportion of total costs that the SRG charges relate to each user group, nor does it relate those charges to the p&l that user group extracts from the safety provided, a key requirement for consideration by the Civil Aviation Act.	2
1	General	Adequacy of impact analysis and effect on operators	Neither the JRT Report nor the consultation documents are fully consistent with the principles of transparency and consultation. Not all operators were able to identify their impact with ease from the developed set of Charging Principles. The limited CAA impact analysis concerned the AOC Scheme alone and gave no assessment of the effect of changes in other areas. Therefore, it has not been possible for an operator to judge the overall effect upon his business.	2

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1	General	Development of the civil air transport industry	Infringement of Civil Aviation Act Section 4(1). It is questionable whether these requirements are such that the methodology of charging hitherto applied for 32 years should be now so significantly changed. Sound development of the civil air transport industry, including GA in all its forms, has required some discretion in allocation of the CAA's costs to ensure that users can have corporate aviation, ad-hoc charters of aircraft of all sizes and that training can provide a supply of pilots, ATCOs and engineers accustomed to the UK environment, to enable airlines generally to have the benefit of such people free of the cost of training them.	3
1	General	Fair treatment of all sections of the aviation community	The whole process has been unnecessary and unwarranted attack on GA sponsored by vested commercial interests. The Head of CAA was appointed to serve the public interest. A lack of representation from GA groups and little time for consultation without cogent reasons for such actions to take place cannot be construed as serving the public interest. Time for the GA parliamentary group to press for a public enquiry into the finances and leadership of the CAA. There appears to be an uneven (therefore unfair) redistribution of increased costs throughout.	22
1	General	Balance of JRT Report	The JRT Report is unbalanced and contains serious flaws which may even lead to its findings being judged unconstitutional and in breach of EU law, creating further unnecessary expense to the organisation and its users. The removal of the GA obstacle to a pre-planned objective negates the whole reasoning behind a review process.	2
1	General	Obligations under the Civil Aviation Act 1982	The Civil Aviation Act includes in its basic philosophy a phrase that the CAA is in effect responsible for the "health and well-being of aviation". What is being proposed is not in accordance with the wording under Part 1 1(1) of the Act where it says that "The Secretary of State shall continue to be charged with the general duty of organising, carrying out and encouraging measures for: a) the development of civil aviation.....". It is not viewed that these proposed massive increases in charges for all aspects of general aviation would be considered by anyone, especially a smart human rights lawyer, to be "encouraging".	1
2	ADL	Justification of restructured ADL/ATS charges for small aerodromes	Proposed large increases in the annual aerodrome licences are totally unacceptable - will operators receive five times the level of service? The 'derogation' limit has been reduced too far to really be of any help to the smaller aerodrome. Some aerodromes will cease to exist as a result. Increase in ATC provision to rise by 500% is horrendous. HIALs fixed element costs will increase from £23k to £115k per annum (400%) - various sized aerodromes should warrant different levels of oversight costs? How can a percentage increase in excess of 380% for aerodromes accepting aircraft of between 2.73 and 6 MT be justified?	9
2	ADL	Impact of increased aerodrome charges	HIAL airport costs will increase by £38k per annum which is very significant. The smallest airfield will have charges increase from £435 to £1,961 over 5 years - ridiculous and will cause the smaller airfields to close.	3
2	ADL	Impact of increased aerodrome charges	This increase may have to be sought from additional subsidy from the Scottish Government as its ability to recharge to operators is limited.	1

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2	ADL	No desire for increased charges	An example took place at a local airport in Cornwall where the airport tried to implement an additional passenger charge to help develop the airport. The result was that the airline concerned slashed its services and has threatened to pull out unless the owner back-tracks. This is not an isolated case.	1
2	AOC	Staffing and operational linkages between light and heavy AOC operators and other modes of transport	If some of the under 15T operators cease trading then the heavy operators will lose the opportunity to poach aircrew from the smaller operators. Also this would affect some of the loss making social routes operating in the Highlands & Islands. Non-airline public transport operators invariably feed the airlines with their passengers on whom the airlines rely. If some of these small operators cease trading then what will the airline interlining passengers do then - conventional surface transport becoming more and more stifled.	6
2	AOC	Impact on small operators and dependent industries	Charges proposals will drive many aircraft to be registered abroad and close businesses altogether. BBGA recognises that the CAA Board has acknowledged problems with the JRT proposals but feel the impact of the proposed AOC charging scheme on smaller operators and their dependent industries has yet to be properly assessed.	2
2	AOC	Fairness and reasonableness of proposed charge increases	The JRT stated that the operators of aircraft above 15 tonnes were seen to be cross subsidising the operators of aircraft below 15 tonnes by £4 million i.e. the present charges to >15 tonne operators were too high. As an example, for one existing company with one aircraft greater than 15 tonnes, its charges will not decrease but will increase four fold. Charging Principle 3 states that for activities within a Scheme, charges shall be cost related, fair and reasonable. This is hardly fair or reasonable.....cost related.....?	1
2	AOC	Cost-relatedness of elements of annual charge	The costs of flying training, medical oversight activities and continued airworthiness will differ according to type of aircraft involved and this is not taken into account by a structure banded according to number of aircraft and per aircraft.	1
2	AWD	Value of Permit to Fly scheme and links with PFA	Increased fees for Permits to Fly represents poor value for the effort involved and will reduce the number of Permit aircraft with a knock-on effect to the rest of the industry that service these aircraft. A lot of the work is carried out by the PFA - what does the CAA do?	7
2	AWD	Impact on small maintenance organisations	Proposed charge of £1,675 is iniquitous bearing in mind that the approval will usually be paid for by an individual or very small company.	1
2	AWD	Impact on organisations and customers	Increases of 168% over three years will have an awful financial effect on those organisations affected and will cause an immediate increase in the charges to their customers.	2
2	GAD	Significance of air displays	The number of air displays will reduce - some are held for charitable purposes. Do not spoil thousands of peoples fun and enjoyment by placing too high a charge on the air display event organisers and display pilot authorisation holders. Air displays are the second largest UK spectator 'sport' after football.	10
2	GAD	Impact on associated air display professions	Professions associated with air displays such as photographers will also be placed at risk if these charge increases are allowed to be implemented.	1

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2	GAD	Impact on GA and CAA's regulation of GA	This increase will impact GA very seriously in an already depressed GA industry and economic outlook generally. If implemented, the cost increases will be unfair and unreasonable and thus conflict with the CAAs obligation to regulate GA in a manner which enables it to be sustainable.	3
2	GAD	Accessibility of display pilot qualification	Increases will put being a display pilot out of the reach of the average pilot. Sound operators of air displays have been priced out of the market - declining returns. The 'stage' where the aviation world showcased its members has gone away and with it the youngsters who were excited and inspired by air shows.	1
2	General	Impact of AOC changes on customers and maintenance arrangements	The light aviation sector is the hardest hit by the proposals, even a 25% capping will only prolong the agony. These companies will have to increase its prices to its customers to recover the regulatory cost. Eventually, companies will switch their maintenance to mainland Europe where the job can be carried out much cheaper.	1
2	General	Impact on industry and future income	CAA will get to a point where rather than nurturing a sector of the market such as GA for regular income long term, the charges will kill it off because less and less people will be able to afford it. Heritage aircraft will be priced out of the sky due to high overall GA charge increases. Any multi-year plan for fees must properly assess the impact the changed fees will have on the industry and hence the income in years to come. This has not been done.	9
2	General	Charges for recreational users vs commercial air traffic	BA obtained their company from the state for nothing, they pay no fuel tax, benefit enormously from private pilots who spend £50k -£55k getting their ATPL licences at the same small aerodromes they now want to penalise. It is objectionable that an airspace system that has been built almost exclusively for Commercial Air Traffic should consider loading the recreational user with increased charges.	2
2	General	Affordability of flying for retired individuals and possible safety impact	If the cost of flying is increased then less hours will be affordable which might lead to an increase in risk to safety. This will be prevalent among retired individuals.	8
2	General	Effect on GA commercial businesses	Viability of the financial future of these companies are at risk with costs being paid for by the disposable income of the end user. Less hours flying means less spent on associated supply firms goods and services to enable GA pilots to fly. This could put some small firms out of business.	3
2	General	Impact of proposals in future years	If proposals are implemented the future looks bleak: CAA does not seem to have fully considered the likely outcome of the proposed action in future years.	5
2	General	Illegal flying to avoid CAA charges	Proposals attempt to price pilots out of the sky. They will be tempted to fly illegally to keep regulatory costs down - policing this will increase costs in the long run.	1
2	General	Flying schools and aircraft registration moving abroad	Evidence available to show that flying schools are setting up abroad where it is cheaper to operate and aircraft are being transferred onto the N register for cost and convenience reasons and our light aircraft manufacturing industry hardly exists at all compared with other European countries. The fewer number of GA individuals/organisations that remain the harder CAAs charges will bear upon them. PPL training levels	2

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			have declined to record low levels.	
2	General	Safety regulation driven by interests of commercial operators	This relationship is not considered in this approach or in the JRT Report - 70% of all airport movements recorded by the CAA in 2004 were for commercial operations and only 7% of movement related to "private" flying. GA has had to accept many costly changes and regulations over time to accommodate the demands of the airlines. GA is often swept up by "one size fits all" regulations, or by the knock on effects of, for instance, changing the designation of airspace, forcing GA pilots to re-route at their expense.	3
2	General	Sustainability of commercial charges on a "private hobby"	The private pilot pays for all his/her flying expenses, including heavily taxed Avgas and Mogas, landing fees, spare parts and maintenance with VAT attached, from already taxed income. This is hardly a "level playing field" from which to assess so-called cross-subsidies. Airlines are operating even more from regional airports and seeking to establish even more controlled airspace from the GA community. Without a GA sector the airlines will have to pay for all regulatory costs! These increases to GA are not sustainable. Loading commercial charges onto a private hobby in order to prop up the already state and environmentally subsidised commercial sector is not appropriate.	14
2	General	CAA service standards	Response times to correspondence is increasing eg 13 months for an exemption to be reviewed, waiting for a response to a Technical Procedures Manual amendment submitted in Nov 04, meetings planned with CAA staff at their instigation cancelled at short notice by CAA because of higher priority tasks having arisen.	1
2	General	Threat of GA decline may impact services	With the threat of GA reducing in size as a result of higher safety regulatory charges then there is a threat to the provision of important services eg air ambulances, flight training schools, corporate aircraft, oil pipeline inspections.....	1
2	General	Little perceived benefit of safety regulation for sport and recreational aviation	EASA opinion on Operations and Licensing clearly notes the need to provide differing levels of regulation depending on the size and complexity of the aircraft. As with the Hampton Report, the BBGA believe that its proposals seeking to change the level of regulation to that proportionate to risk is correct. The EASA Fees and Charges Regulation and the recent Commission draft regulation regarding En-Route charging have both recognised that charges must not disproportionately impact the smaller charge payer. Sports and recreational aviation gains little benefit from regulation.	2
2	General	Availability of flight crews	Flight crew shortages will now start to appear along the same lines as happened to the aircraft manufacturing industry. Subsidised training was stopped by the ITB and companies were required to bear the costs associated with training. The increases in charges are not sustainable and will force airlines to seek their pilots from other countries.	1
2	General	EASA regulation impacts on sport and recreational aviation	GA was not consulted during the change to EASA regulation but has been badly affected by it. Sport and recreational flying cannot affect the degree to which they are regulated and recent changes have added to its burden through no fault of its own.	1

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2	General	Impact of changes mitigated by extended time for implementation	The concerns of those who may feel disadvantaged by the proposed changes are more than mitigated in the extended time periods proposed as well as the recovery of overheads being met by the larger charge payers.	1
2	General	Suggested effects on light manufacturing industry	The effect upon the microlight and VLA community (largest growth area in aviation in the UK) will be to stunt its development to the detriment of the light manufacturing industry.	1
2	General	Impacts on safety, goodwill and mutual respect between CAA and regulatees	There is a very real danger that the law of unintended consequences may come into play to the detriment of safety, goodwill and the current mutual respect between the 'Regulated' and their 'Regulatory Authority'.	1
2	General	Elimination of cross subsidies between AOC Scheme and other schemes	The broad effect of the proposals is to shift £4M in costs from the airlines to GA. This is one of the JRTs principal objectives.	1
2	PLS	Number of foreign pilots entering UK industry	Should GA costs increase it will become ever more difficult for airlines to select pilots from GA trained environment without having to pay for or contribute towards the cost of pilot training. Also poaching aircraft engineers and other technicians from GA who are self sponsored to achieving the professional licences necessary. The UK cannot compete on a level playing field and this is supported by the growing number of foreign national new entry pilots now entering the UK industry.	8
2	PLS	Suggested impact on light aviation	PPL issues are down dramatically since the 60s/70s (10,000 vs 3,000). These proposals will kill light aviation in the UK. It costs over £26k for qualification but it is no longer worthwhile to carry on.	1
2	PLS	Pilot training - foreign schools and ab initio training in the UK	Without a strong GA sector, insufficient ATPLs are likely to be provided for the CAT sector and it is noticeable that much of UK Training is migrating overseas with considerable adverse affect on the sector. BBGA requests that no further structural changes are made to Flying Training Organisation fees until the GA Strategic Review has been finalised. Pilot training is going to places such as Spain, the USA and South Africa. At the least, schools may not continue with ab-initio training.	10
2	General	Measurement of benefit to end user for PPL holders	Proportionality of charges to end user benefit. Cannot see where any assessment of benefit to the end user has been measured or assessed especially considering the lone PPL holder.	2
2	General	Industry expertise developed in GA community	No account taken of the benefits to the airlines and airport system provided in the form of provision of personnel who have obtained their training and qualifications while in GA, often at their own expense with no element of sponsorship. Cross subsidies would be reduced if this issue had been taken into account. UK airlines now contribute virtually nothing towards ab-initio pilot training. The training of 300 - 400 pilots more than compensates the airlines for any cost inherent within the so-called cross-subsidy. Mere existence of controlled airspace gives material benefits to commercial operators whilst increasing costs to GA. CAT enjoy the benefits but do not contribute towards any mitigating measures ie funding LARS service in the affected areas.	16

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2	General	Consideration of economic and social benefits of sports and recreational aviation	JRT only examined the cost implications to the CAA. There was no economic impact assessment of the "ability to pay" across the various sectors impacted by the changes. The paper has failed to pull together its different sections to attempt assessment on the payer eg aerodromes also affected by GAD costs, a further impact on pilots and associated businesses. An impact assessment should also consider economic, social, safety and cross interest effects; it is not unreasonable to expect the government through DfT and CAA to lead in the interest of the British aviation communities.	2
2	General	Safety implications of training	The large airlines do not provide ab-initio training. Without this support the UK flight training system will in the years to come have serious safety consequences. The small regional airlines depend on GA to supply pilots and in turn the major airlines depend on the regional airline pilots making 'career moves'. The JRT process did little to consider the safety implications of this.	1
2	General	Impact on PPL holders	We are already overburdened by costs of fuel, landing and operating without having to pay a 'mileage' charge in addition. GA Pilots do not need LARS, do not need ATS services as flying VFR the only service required is FIS, 1 person. The proposed changes will affect pilots in many ways - increased costs for medicals, license renewals, aircraft rentals, landing fees, etc. An impact calculation should be carried out for a PPL flying a number of hours per year.	5
3	AWD	Cost recovery of issuing Permit to Fly for aircraft with expired Certificate of Airworthiness	Permit to Fly for aircraft with an out of date Part 21 Certificate of Airworthiness - allocate to transition costs payable by the government. BBGA understands why the CAA has to perform a task with the issue of these permits but feels that it would be fairer to treat this task as an EASA transition cost.	1
3	AWD	Funding of transition to EASA maintenance approvals	If an already approved CAA Maintenance co. is pressured by potential customers to hold a pan European approval then the extra cost in obtaining a Part M approval rises 360%. The smaller organisation has much less to gain from pan European approvals but is seeing massive increases in fees. This will hit in particular the vintage and veteran aircraft and together with the Permit to Fly increases may well see the grounding of some of these aircraft.	2
3	GAD	Cost of GAD Dept should be borne by DfT	In absence of the CAA and especially GAD within SRG then the government would have to provide the required level of expertise from their own sources.	1
3	General	Funding of CAA insurance premiums	Industry should not be required to pay for insurance premium increases this should be down to the government to pay or industry should be more involved in the selection of insurance providers and resultant premium levels.	2
3	General	Location of CAA's London office	Get rid of the ivory tower at Kingsway in favour of cheaper accommodation elsewhere.	2
3	General	Government equalisation of air safety costs within Europe and within UK.	The UK government could equalise the cost of air safety to the level of other EU National States: if not the UK will be facing a skills vacuum. Also, there is disparity between costs charged to GA and those charged to CAT eg Avgas duty and tax. CAA should consider opportunities for reduction of regulatory activity by reviewing its 'pro-active' stance compared with that of its European counterparts.	8

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3	General	Considerations of other aviation costs under government control	It can be argued that much of the safety regulation imposed on GA is in response to the needs of the airlines, not GA itself. It seems unreasonable to take CAA role and funding in isolation from the other government controlled costs of aviation eg fuel taxation, no VAT on airline tickets. Commercial aircraft use Avtur (virtually no tax) whilst GA use Avgas and Mogas that are taxed heavily.	6
3	General	Third party insurance cover for non-commercial aircraft	The requirement for third party insurance to be carried by non-commercial aircraft is a absolutely outrageous.	2
3	General	Civil Aviation Act 1982 requirements for full cost recovery	UK aviation industry the only one that has to bear the costs of its own policy and regulation - similar costs of other industries are covered by government department from general taxation.	9
3	General	Airline Passenger Tax	None of this tax is reinvested in aviation. If it were then CAA could probably operate at no charge to anyone.	1
3	General	Accountability of CAA on levels of regulation	CAA decide themselves on the level of regulation that should apply which is then charged for at full rate.	1
3	General	Rate of return	6% rate of return is a taxation on industry on already inflated costs. A stealth tax! Why is safety for non-commercial activities expected to make a "commercial return"? This for commercial operators is effectively unfair competition with the rest of Europe who do not have to recover such 'tax'. For recreational flying this is an indecent burden.	8
3	General	EU Insurance regulations	The CAA and UK Government should lobby for an exemption from these regulations which would allow 'Sally B' to continue to fly in this country.	1
3	General	Funding of EASA transition costs	The transition costs caused by EASA should be paid by the CAA/DfT and not by the recreational pilot who has no means of passing on such costs.	1
3	General	Fair and just "user pays" system desired	There would seem to be no case to tax GA owners/flyers further for their meagre use of CAA and related services. I have no objection to "user pays" but it needs to be fair and just - let the airlines pay £1.15/litre then I could understand the squealing (Avtur/Jet A is approx. 35p per litre).	2
3	General	Tax and duty arrangements on aviation fuel	Airlines do not have to pay tax on Avtur fuel but GA have to pay tax on their fuel Avgas and Mogas.	6
3	General	Funding of EASA transition costs	It is unclear from Charging Principle 11 just how the costs of transition will be funded. Industry already expects that this will be yet an additional future cost burden levied upon it.	2
3	General	Tax and duty arrangements on aviation fuel	GA has to pay duty and tax on its Avgas and Mogas but the commercial airlines do not have to pay duty or VAT on its Avtur/Jet A fuel. This inequality more than outweighs the £4M cross-subsidy. The airlines currently save £800M annually from their exemption from paying duty and VAT on fuel. GA contributes approx £12M to the Exchequer in fuel duty and £3M in VAT. Airlines also receive subsidies of nearly £2.5M to run uneconomic routes.	9

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3	General	Rate of return for CAA compared to other government entities	The 6% in current cost terms is set for the CAA by its sponsoring department being the Department for Transport. HM Treasury (September 2003) set a rate of 3.5% rate of return to be used in setting fees and charges for services where there was no competition. This rate does not apply to the CAA being a Self-Financed Public Corporation but it is a strangely inconsistent policy adopted by the government. No logic for CAA to make a higher rate of return than the vast majority of the public sector that make charges to recover the costs of statutory services.	2
3	General	UK Government adoption of cross subsidies in other aspects of aviation	The government have accepted the principles of cross-subsidy as demonstrated in the Eurocontrol Route Charges Scheme and at UK Airports where the 'Single Till' principle is applied.	1
3	General	Scope of further reviews	The new review must include: the CAA's cost recovery objective (including the 6% rate of return); the inclusion of other Treasury income from Aviation; the charging back to Government of CAA costs associated with regulation for which the General Public is the beneficiary and thus should be paid from general taxation and not from those who are regulated but who gain no benefit.	2
3	General	Funding arrangements between CAA and DfT	All this non-statutory work should be charged back to the government including the 6% rate of return.	1
3	General	Civil Aviation Act 1982 requirements for full cost recovery	The requirement to make a rate of return should be scrapped by H M Treasury and that recovery of costs should come from those who benefit rather than from those who are regulated. The rate of return of 6% in current cost terms equates to approx. 3% of turnover. The CAA has used 2.5% for the purpose of regulating BAA and NATS reflecting a more cautious view because prices are set for a future 5 year period.	4
3	General	Funding of EASA transition costs with rate of return	We support the use of the ROCE to fund the EASA Transition costs and are pleased that DfT and the Treasury have approved this.	1
3	REG	EU Insurance regulations	CAA adopting the additional expense imposed in checking of aircraft insurance by the passing of the EC Regulation 785/2004 on mandatory requirement to for owners and operators of G reg aircraft to hold third party insurance.	3
4	AWD	Arrangements for continued airworthiness costs of gliders	In the UK, continuing airworthiness activities for gliders are in fact carried out by the BGA. The continuing airworthiness associated costs born by the BGA are recovered through the BGA glider C of A fee. BGA considers that the CAA revised glider C of A fee should be amended to reflect the costs to the BGA and that the CAW element of the fee should be recovered from the CAA by the BGA through an agreed process. It is important to note that the UK glider SMS is underpinned by an integrated economic model which includes certification activity.	1
4	General	Self regulating body for the light aviation sector	A self regulating body for the light aviation sector should be set up overseen by SRG and its surveyors. All commercial aviation and private business aircraft could be covered by this system.	1

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4	General	Transfer of non-statutory activities to outside organisations	For example the SRG work on precipitous fall of 'blue ice' from the skies - this should be funded by the DfT.	1
4	General	Delegation of regulation to RFOs	BMAA feel that it is patently unfair to recover from GA any under-recovery from a related Scheme merely to satisfy the requirements of Charging Principle no. 3.	1
4	General	Self regulation vs EASA regulation	PFA and BGA are very capable of self-regulation under the auspices of CAA. The GA sector will not benefit from many of its services and cannot afford to pay the ever-increasing charges imposed upon it without consultation. Mode S is a classic example where GA is still waiting a transponder capable of working safely in a sailplane.	1
4	PLS	Delegation of some approvals to BMAA	A new charge proposed for microlight schools offering FIC. Presumably an annual/renewal charge of £250. This work could be carried out by the BMAA as is presently done for SLMG FIC training by BGA clubs. BMAA has been paying CAA for this work under the remnants of the CAA/BMAA agreement for some time. BMAA suggests that the CAA considers delegating approval inspections to the BMAA.	4
4	PLS	Delegation of administration for pilot licensing	Delegate this admin effort to industry in the same vein as adopted for the NPPL.	1
4	REG	Delegation of glider registration to BGA	The BGA considers that the proposed registration fee is unjustified and unnecessary where gliders are concerned.	1
5	AOC	Identification of target AOC charges	For some BATA members the new annual AOC charge will result in an increase in their overall AOC charges at a time when the larger AOC operators as a group will still be subsidising others. If BATA members are given their target AOC charge at 1 April 2006, their charges will be put into a longer term context.	1
5	General	Transparency of SRG budget including overheads	SRG and a committee of operators and organisations should discuss the whole SRG budget to derive a set of figures for the next two years acceptable to both sides. This is required if we want to preserve a civil aviation industry in the UK. Charges should be explained so that the payer is aware of the CAA overheads and costs that have been allocated to calculate that fee.	2
5	General	General Aviation Department cost allocation	GA Policy covers much work across SRG - is the officer(s) concerned carried 100% on GAD budget? Also, is the officer concerned with Safety Promotion treated as an overhead as he addresses the whole civil aviation community?	1
5	General	Future efficiency cost savings and comparisons to foreign authorities	No commitment in the budget forecasts to ongoing cost improvement by showing anticipated efficiency cost savings. Comparison with State supported Aviation Authorities cannot be conceded as valid, especially as the data has not been made public. Areas for savings include, reducing overheads, down-sizing SRG due to EASA, improving efficiency of regulatory processes, charging for advice over and above a basic level, reducing unnecessary regulatory activities (such as airworthiness flight testing).	4

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6	GAD	Subsidies from public transport to private transport	British Airways has pointed out that it has not attacked the GA sector and that it wishes them well. However, BA is not prepared to subsidise GAs regulatory or policy costs and does not accept any of the arguments put forward for a general subsidy from public transport to private transport.	1
6	General	Cross subsidisation in society	It is the way of civilised society that we 'cross-subsidise' eg pay NHS which some use and some don't; the motorist pays innumerable taxes little of which gets spent on roads and income tax get spent on items which may or may not affect us directly or indeed indirectly. The charge for an annual aerodrome licence for a small aerodrome is set to rise dramatically. This will force some airfields to operate unlicensed with corresponding safety implications.	2
6	General	Ability to pay and benefits of thriving aviation community	SRG pricing should be linked to the ability to pay also in certain cases - in particular regarding air display charges. Should be looking, as in other countries, at the uncoded benefit of having a thriving aviation community in the UK. In the UK currently, this is by no means the case with many organisations struggling to survive.	5
6	General	Funding of regulatory costs in a low-cost fares environment	I expect the findings of the recent Helios crash in Greece to support our contention that low-cost compromises safety and now the rest of the aviation community is being expected to fund this misbelief. I contend that the airlines have seen their margins weakened by unsustainable low fares to the point that they want someone else to pick up the costs that they perceive to be "not theirs". The low-cost fares model is completely unsustainable in a regulated environment.	1
6	General	Cross subsidy in context of GA's contribution to the UK economy	Talking about a cross-subsidy of £4M. The cost to BA of the Gate Gourmet fiasco will be around £40M. BA will absorb that cost and still make a profit. GA benefits the whole aviation community. These disproportionate increases will force pilots to stop flying which will mean the end to GA. CAT contributes in excess of £10 billion (OEF 1999) to the UK economy. Although not quantified, GA's contribution is clearly small in comparison. It is difficult to understand why an issue of £4M should arise and the concern is some other agenda exists to place GA under pressure.	2
6	General	Monitoring of cross subsidies	The monitoring of the cross-subsidies should be monitored closely in the period to 31 March 2007 and beyond.	2
6	General	Consistent economic principles throughout CAA	The Economic Regulation Group has imposed on UK airlines and more recently on UK airports the removal of cross-subsidisation. It is not acceptable that different parts of the CAA apply economic principles in different ways.	1
6	General	Tax and duty arrangements on aviation fuel	The £4M cross-subsidy has been more than wiped out by the inequality concerning aviation fuel. There is a misconception from within the GA community that there is a £4M cross-subsidy between the larger airlines and the GA.	

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7	ADL	Light Aviation Airports Study Group findings	The LAASG may well remove the need for virtually all small licensed aerodromes to have any form of CAA regulated licence. Only 10% of all aerodromes in the USA are regulated in any way by the FAA. Even the oversight is a paperwork exercise submitting a box ticked proforma. Any physical check is as a result of an accident or incident. If increases are implemented this could impart severe damage and possible closure of aerodromes. Expected that total costs will be reduced as a result and hope that CAA will review the appropriateness of the charges structure once the LAASG review has been concluded.	4
7	ADL	Light Aviation Airports Study Group findings	CAA licence "flying training only" aerodromes: the JAA do not require such approvals. This is another example of an unlevel playing field with the rest of Europe. PFA recommend that significant increases in charges for the smaller aerodromes be deferred until the results from the LAASG review are finalised.	3
7	AWD	Exemptions for heritage aircraft	Please find a way of exempting heritage aircraft such as B17 and Vulcan from these punitive charges which if not exempted, or at least reduced, will result in such aircraft leaving our shores for good.	4
7	General	Review of CAA efficiency	The whole level of efficiency of the CAA needs to be examined - increasing charges is not the answer. In some areas the CAA's actions are counter productive to safety and well being of aviation in this country. Hourly staff rates for some activities seem exceptionally high. Contract out some expensively provided services? The JRT did not identify, in any constructive way, opportunities to increase efficiency in the regulator.	13
7	General	Involvement of third parties in cost allocation	Any internal charging mechanism is subject to bias. Has there been any independent audit? As the CAA is a monopoly supplier it is important to have an appeals procedure. It should not act as prosecutor, judge and jury without a safety valve third party to resolve inequities.	2
7	General	Alternative interim solutions pending outcomes of strategic and regulatory reviews	The proposals should be set aside or the existing structure maintained with say a 2% inflationary uplift, until the findings from the GA Strategic and Regulatory reviews, the LAASG review are finalised and the full impact is known from a more mature EASA. The proposals should be set aside until the findings from the GA Strategic and Regulatory reviews are finalised. To introduce these proposals onto the GA which is already struggling will create undue hardship. However, BMAA has stated that to set aside is unrealistic. BBGA would like to see any further increases in the under 15 tonne sector linked to CAA regulatory improvements therefore to this end deferring charge proposals until after the GA Strategic Review. BBGA views that only proposals for 2007/08 and beyond should be deferred until after the GA Strategic Review has been finalised and that for these future years a better impact assessment should be completed. EASA says the National Authorities are reducing their fees to align with EASA - why are CAA's fees doing the opposite? For such a radical change in CAA Policy no historical data can exist and no impact assessment has been carried out. A RIA should have been carried out - it wasn't and contrary to Cabinet Office guidelines. A full RIA should be carried out before any of these charging proposals are implemented.	39

Theme	Scheme	Topic	Charge payer comment	Number of comments*
7	General	Ongoing regulatory improvement	JRTs work relating to areas for regulatory improvement was satisfactory. BBGA is pleased there is at least an ongoing work stream in the area of regulatory improvement.	1
7	General	Suggested reduction in CAA costs	Charging Principle 2 will not be achieved. This will not be achieved while there is no direct penalty to the CAA for any excessive activities or inefficiencies. The prime objective of industry has been to reduce costs and the present proposals simply shift the burden elsewhere. CAA costs continue to rise. CAA should be targeted to achieve a significant cut in costs.	3
7	General	Alternative JRT review	The principles of open government have been so far abrogated in this review as to render it unacceptable. Under a new review the representation from interested parties should include, airlines, general aviation - private pilots, business supplying training, maintenance and air operations services, CAA - staff and management. An independent expert should be hired to assist and advise in evaluation of arguments.	4
7	General	Clear timetable for full implementation of proposals	CAA should develop a plan which sets a clear timetable for full implementation of the JRT proposals. The generous transitional arrangements included in the CAA proposals result in a long and, in some cases, indefinite period of implementation. A plan should be developed which shows how and when all charges will meet the challenges set by the Charging Principles. Greater transparency of financial information is needed to assist in the implementation phase and to provide confidence that all charges are set on the basis of costs properly allocated to them.	3
8	General	Review UK transition to EASA	Establish a joint CAA/industry review to manage the UK transition to EASA. This review should be established in 2006 with a view to completing its work before the end of 2007. Should any SRG resources be not required because of EASA's expansion, the costs associated with the resulting retrenchment should be paid by the government which supported the creation of EASA, and not the industry.	1
8	AWD	Suggested refund of previous CAA modification charges	4,380 CAA requirements or modifications for UK Certification were no longer required when EASA took over. CAA has not refunded the cost of these mods being several million pounds.	1
8	AWD	Context of increases in Airworthiness Scheme	Because of EASA the Airworthiness activities should be falling but instead we see charges increasing.	22
8	General	Restructure of CAA	When will we see CAA restructure and reduce its own staffing levels & office space requirements? A representative from the CAA has stated at a recent meeting that "as EASA is increasingly looking after the heavier end of aviation the CAA would have more time to spend on the oversight of organisations such as the BMAA". EASA wishes GA to thrive in Europe so reduce costs by reducing regulation.	8
8	General	Implementation of EASA	CAA should adopt a very positive engagement with an expanding EASA to ensure a strong UK influence within the developing European safety regime. BATA recognises the efforts being made by SRG to reduce its resources in line with the introduction of the first phase of EASA implementation. BATA also welcomes the decision, supported by DfT, to fund this initial transition from CAA/Government resources.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
8	General	Suggested future review of progress	Due to an evolving EASA a progress review should take place in 2006. This progress review should take place in time for the SRFAC debate on 2007/08 charging proposals in September 2006.	1
8	PLS	Impact of EASA approvals on aircraft engineers	Due to new regulations from EASA aircraft engineers are now required to have EASA approvals to maintain EASA aircraft and BCAR approvals to maintain UK 'Annex 2' aircraft. This is hardly a basis for efficiency, value and certainly has nothing to do with safety.	2
9	General	Support of charging principles	They provide a strong basis for reforming the charge schemes and for keeping them under review in the coming years as remaining and new issues are identified. In particular: SRG to improve efficiency and effectiveness; recover costs from those it regulates with minimum cross-subsidisation; transparent cost information is supplied to industry; advice and assistance requested by Secretary of State is recovered from the government and that costs of work performed under contract to EASA is so recovered.	2
9	General	Challenge to Charging Principle 2	Charging Principle 2 should be challenged. This principle should include greater reliance on foreign regulations/certifications where they have proved sufficient in other countries. No more of these pointless UK only mods that force many operators, particularly of executive jets, to operate them on foreign registers and thus pay no CAA charges at all.	2
9	General	Challenge to Charging Principle 5	Laudable aim but only when the airlines are forced to pay their way eg fuel, in the same way as GA is already can there be any proper examination of so-called cross-subsidies.	1
9	General	Support for Charging Principle 6	Through this specific consultation it is the first time that it has been possible to engage in discussion on the apportionment of CAA charges. Hopefully, the CAA will listen to the comments its received in this respect and respond to this consultation otherwise this would cut across this Charging Principle and destroy what little reputation it has left.	1
9	General	Adherence to Charging Principle 8	The CAA shall keep annual increases in charges within inflation..... How is the CAA going to achieve this?	4
10	AOC	Cost allocation between over and under 15 tonne AOC operators	Much of the JRT work was skewed to meeting but one of the JRT principles, that of cost relatedness. The CAAs method of spreading these costs amongst operators resulted in high activity operators seeing costs fall whilst those smaller AOC holders would see massive increases. This does not fit with costs being fair and reasonable nor based on regulation that is proportionate to risk.	1
10	AOC	Justification for changes to AOC charges	In the absence of proper justification and because this seems to be above inflation for the relevant period, this increase is not supported.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
10	AWD	CAA organisational approval charges in context of EASA/BCAR harmonisation	Organisation approval charge increases of 100% over 2.5 years cannot be justified to industry without a far better level of debate. Charge increases for organisation approval holders was not adequately debated at JRT as BBGA believes a sizeable part of the significant increases actually related to overhead cost changes. In some cases Design Organisations may be better off obtaining a Part 21 approval and pay lower fees to EASA than to the CAA for a BCAR approval. It cannot be fair or reasonable to demand increased fees from applicants simply because EASA/BCAR requirements in some areas are not yet harmonised.	2
10	AWD	Reasoning for charge increases and combination of effects	The following effects need to be separated to ensure full appreciation of the reasoning behind these increases: the under-recovery from prior years (volume and well as price related), the additional overheads and GAD contribution allocated and the EASA effects.	1
10	GAD	Allocation of GA policy and administrative costs	The re-allocation of GAD costs to GAD and Aerodromes will cause many 'low-end' GA users to give up. How was the reallocation of GA Policy & Admin costs decided for GAD Scheme and shows an increase of 79% (£89k)? Beneficiary model is based on the number of charge payers, regardless of how many beneficiaries they represent eg an individual with a Permit to Fly aircraft pays the same share of costs as does BA, hardly a beneficiary model. BBGA requests that a revised allocation of these costs will be made after the GA Strategic Review has been finalised. Charging Principle 3 clearly states that costs must be distributed according to the number of beneficiaries (the passenger) not the number of payers. For example BA with millions of beneficiaries would pay the same as an individual aircraft owner who is the sole beneficiary. PFA request this change in charging should be subject to further review. Charging should be based not on number of owners but airframe hours flown. Proposal to add some of these costs to Personnel Licence fees are unfounded and should be withdrawn.	59
10	GAD	Historic policies for authorisations and permissions	CAA reneged on its statements made in 80's and early 90's indicating that charges were unlikely to be levied for Display Pilot Authorisations and permissions would not increase.	1
10	GAD	Review of structure of charges for flying displays	The CAA noted that the structure of the charges for flying displays will be reviewed prior to proposals for 2007/08. The present JRT membership is totally unrepresentative to undertake this task and should include representation from the Air Display industry. The CAA has now made a ridiculously high increase which is not supported by any published argument. This is not the way charge increases should be applied.	2

Theme	Scheme	Topic	Charge payer comment	Number of comments*
10	General	Representation of sporting and recreational GA on JRT and other representative organisations	No representative organisation from the sporting and recreational element of GA was on the JRT. An element that represents the largest in terms of participants. AOPA should have been present. BMAA/PFA should also have been on JRT. This would seem to be at variance not only on moral grounds re good consultation but arguably to not be in accord with the formal DfT Sponsorship Statement for CAA nor with the Principles of Good Regulation as published by the Cabinet Office (Better Regulation Task Force 1988 revised 2000). JRT was packed with representatives who had long been involved in pursuing commercial interests and not bringing fresh and open-minded approaches to the issues. You could say that the JRT removed an obstacle to a pre-planned objective. "No taxation without representation". SRFAC could not do it so JRT was constructed to reach the "correct" result. AOPA stated that the BBGA representative did well in defending a position but that he was always outnumbered on the JRT - hence the Minority Report. Once the results of the JRT was known why did the CAA not conduct a detailed assessment?	98
10	General	Accessibility of BBGA Minority Report	The BBGA Minority Report submitted with the JRT Report to CAA Board was not included within the consultation documentation.	5
10	General	Future industry growth	If these proposals are introduced their effect will almost certainly reduce volumes in many sectors, notably in GA. GA is already in decline - CAA stats prove this GA Activity (aircraft movements) at airfields has declined by 30% since 1997. PPLs down 33% between 1990 and 2000 with ATPLs doubling from 900 to 1800 over the same period. Head in the sand attitude on future volume estimates. BA reported growth of 1.7% for the 3 mths to 2005 compared with the same period for 2004. Easyjet has reported growth of 22.9% over the same period and Virgin reported an annual growth expected for 2005 of 10% but may not be in ASK terms. At least 2% should be used as a volume growth figure for ASKs otherwise an over-recovery from airlines will result.	8
10	General	Operation of beneficiary model for some GA costs	JRT appears to have considered a refined 'beneficiary model' allocating greater charges on those sections of the aviation community which receive greatest benefit taking into account the volume of charge payers in each Scheme. What was the methodology adopted for Flying Displays? Which parts of civil aviation benefit and what is volume of charge payers compared with other parts of GA and for parachuting for which no increases are planned?	1
10	General	Adherence to Charging Principle 3	"Charges shall be cost related, fair and reasonable". These proposals do not meet this charging principle. If applied correctly it would not have produced the "correct" result for the GA and Aerial Application Schemes. Should have been applied on a per passenger basis rather than a per aircraft basis - the beneficiary is the passenger. If this principle was carried forward then the end result would not have changed a great deal from the 2002 cost allocation model.	29

Theme	Scheme	Topic	Charge payer comment	Number of comments*
10	General	Application of user pays principles	The terms of reference based on "user pays" amounts to a "cost-plus" pricing regime, with no consideration as to the needs, or the ability to pay, of the user or the effect one group imposes on another. The concept of "beneficiary pays" has thus not been properly applied and the charging principles need to adequately represent this, which they do not. If beneficiary pays then this should have meant very little cost to GA. Costs should be applied to the number of beneficiaries.	7
10	General	2005/06 as cost base reference	At no point in the document is it clearly laid out what the charges for each area of SRG and each user group, will be between 2005/06 and 2007/08, in comparison to each year from 2000-2004; there is an implication the charges in some areas will be even further increased.	2
10	General	Impact of cross subsidisation on growth of UK commercial aviation	Since 1982, CAA data shows that commercial movements at UK airports have increased two fold while UK private and aero clubs has fallen back to levels not seen since 1982. This suggests that there is no evidence of cross-subsidisation holding back the growth of commercial aviation in the UK.	2
10	General	Availability of annexes to JRT Report	No access to these annexes results in the consultation exercise again being compromised.	1
10	General	Contribution to CAA's work by Recreational Flying Organisations (RFOs)	The significant contribution made by the Recreational Flying Organisations (RFOs) to the CAAs work in such areas as ICAO compliance and other areas that may have little direct benefit to all the organisations and their members. Attendance at many steering and working groups set up by the CAA whose RFO members have to fund their travel and time to take part.	2
10	General	CAA policy exposition to House of Lords Select Committee	The position of the CAA has moved from its submission to the House of Lords Select Committee on the Constitution Inquiry into the Accountability of Regulators to Citizens and Parliament (October 2003). In the CAA submission it says that "on some issues, the way forward becomes a compromise, as to do otherwise would result in an overly undue financial burden on some of the smaller sectors of the aviation industry that would place pressure on their future viability.". Further "Where issues are more to do with the equitable distribution of costs between charge payers, the CAA will continue to further its understanding of the costs, identify and adopt any cost savings where possible and aim to strike a balance based on the charging principles of transparency, cost relatedness, equity and ability to pay.....". The JRT Charging Principles was originally drafted by the CAA and "ability to pay" was absent.	1
10	General	Inclusion of "ability to pay" concept in Charging Principle 3	BBGA believes that "ability to pay" concept is encapsulated within Charging Principle No. 3 where it states that "For activities within a scheme, charges shall be cost related, fair and reasonable.". "Ability to pay" is taken by the BBGA as being within the meaning of "fair and reasonable". It is clear that other JRT members placed "cost relatedness" above "fair and reasonable".	1
10	General	Bona fides of consultation process and scope	This consultation is merely a justification exercise to ratify a decision already made behind closed doors. The scope of this review in failing to look at the full cost burden is deeply unfair since the massive saving on fuel tax enjoyed by the airlines is being ignored in this cost review.	4

Theme	Scheme	Topic	Charge payer comment	Number of comments*
10	General	Basis of cross subsidy and views of all involved in aviation	The report proceeds upon the basis that there is a cross-subsidy - this assumption may well be false. Even if cross-subsidy were shown to exist, this report cannot be taken seriously as it fails to take account of the views of all involved in aviation. Those who seek to restrict access to the 'commons in the sky' that belongs to us all should compensate the other users for the loss of access or pay for the services that will allow them to enter restricted areas safely. Since the restrictions are a response to commercial and military needs they should not expect a subsidy from GA.	3
10	General	Outcomes of JRT review	JRT objectives were not met. There was no consensus on the impact of EASA; Resolving cross subsidies was contrary to the CAA principles and the CAA Board did not fulfil the task to ensure it was "fair and reasonable"; no specific details identified for "efficiency opportunities" and no details on other opportunities for the reduction of regulatory activity. The charges consultation process (via JRT) should have involved the PFA.	42
10	General	Length of consultation period	GA were not given enough time in which to properly consider and respond to these proposals.	1
10	General	Clarity of terminology	I find the jargon used and the technical terminology all-but incomprehensible. Like most other pilots of my acquaintance, we do not understand the complexities of the issues involved and lack the time to consult or decipher the arcane language used. You would not get a Crystal Mark for documentation.	4
10	General	Suggested weaknesses in JRT report	There are major weaknesses in the work of the JRT Report and is incomplete. JRT evidence of cross-subsidies is based entirely upon identifying the cost of SRG services from a 'one-off' study of SRG activity during 2001 and 2002.	1
10	General	Bona fides of consultation process and scope of industry participation	The 'consultation' document is based on a report from the JRT, a body that appears to have been heavily weighted in favour of commercial air transport, did not have representation from private pilots and invoked a minority report from the only GA representative. The consultation was improperly set up, rushed and totally biased for whatever reasons the CAA has.	2
10	General	Inflation assumptions	Even if there was no increase last year, an inflation allowance of at least 2% should have been assumed.	2
10	General	Industry representation	The representation would be at variance not only on moral grounds in respect of good consultation but arguably to not be in accord with the formal DfT Sponsorship Statement for CAA nor with the Principles of Good Regulation as published by the Cabinet Office (Better Regulation Task Force 1988 revised 2000).	1
10	General	Representation of smaller industry participants	JRT Review was just a cost restructuring exercise by the regulator and larger industry bodies. This cost restructuring exercise did not provide proper consideration of the non-represented smaller players. It is the duty of the regulator to ensure that "charges shall be cost related, fair and reasonable" (para 3 Charging Principle). This has not transpired.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
10	PLS	Personnel Licensing price changes in context of future EASA regulation	Head of EASA was recently quoted as saying that all Personnel Licensing would come under the control of EASA by 2007 and that NAAs were already reducing their charging structure to align with the EASA charging model. PFA requests that the CAA defers this change pending further review and clarification of the EASA situation.	42
10	PLS	Context of increases in Personnel Licensing Scheme and industry growth	The proposed increases for commercial pilots and simulators are not supported. A breakdown of respective costs to assist in the understanding for the large increases in commercial pilots' charges is required. British Airways believes that pilot numbers will increase with the growth in ASKs providing scope to reduce the level of proposed charge increase.	1
10	GAD	Context of increases in Personnel Licensing Scheme	The arbitrary increase of 8.4% in the PLS Scheme is unsupported by any published argument. This is not the way charge increases should be applied. If increases are essential for regulatory activity that has been properly scrutinised, they should be applied. An arbitrary increase in advance of a review is wholly inappropriate and should be withdrawn until that review is complete.	16
11	AWD	Suggested operation of heritage aircraft	An AOC to operate the 'Sally B' will cost as much as a jet airliner AOC, this will ground the B-17 and other such heritage aircraft for good.	3
11	ADL	GA use of ATC	Probably 98% of the GA flown in the UK in day VFR 'see and avoid' conditions. Therefore, ATC is not required.	1
11	ADL	Banding structure for aerodrome ATS annual charges	Withdrawal of the 2,000 arriving pax. per month threshold should be reconsidered. Currently HIAL has 6 out of its 10 airports below the 2,000 threshold but all airports will now be included under these proposals - estimated effect being an increase of £46k per annum.	3
11	ADL	Banding structure for aerodrome ATS annual charges	Such large stepped increases are even less acceptable when the "derogation" benefit is to be almost scrapped. This cannot be a sensible or flexible way forward. The derogation did provide some sensible reasonableness when an aerodrome was growing. Has the CAA examined the impact this would have on availability of aerodromes to certain classes of aircraft? The "derogation" should be retained until any reform is properly presented to the Safety Regulation Finance Advisory Committee (SRFAC). In particular aerodromes operating aircraft between 2,730kg and 6 tonnes will be hit significantly. Incentive for aerodromes to fit into category E aerodrome type.	2
11	ADL	Banding structure for aerodrome ATS annual charges	BBGA considers that increase in fees of 260% when a smaller ATC unit engages one additional controller is unreasonable. Within JRT BBGA argued that numbers of controllers should be assessed as full time equivalents. This has not so far happened. BBGA recognises that there is an attempt to be cost related, but there is already a variance "per controller" by the banding concept. BBGA suggests additional bands at the lower levels or the use of derogation as presently used for Aerodrome Licensing.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
11	ADL	GA use of ATC	I fly under VFR and in daylight hours and can afford to fly typically 20 - 50 hours per year. Talking to ATC is a benefit to ATC and to commercial aviation and offers no benefit to myself. Yet, I understand you now propose to charge for having to make ATC aware of my intentions. The airlines should bear this cost as this ATS service is primarily for the airlines' benefit.	3
11	AOC	AOC annual charge structure	The CAAs proposals, based on a large annual charge, nominally related to the cost of the oversight of a given group of operators, were unacceptable to the BBGA. BBGA argued that this annual charge should be greatly reduced and an utilisation factor introduced. To do otherwise would render the AOC Scheme proposals as unfair, unreasonable and not proportionate to risk.	1
11	AOC	AOC annual charge structure	Bandings based on aircraft weight too crude. Should have a lower banding for <2,500kg aircraft for small organisations with an appropriate lowered cost.	1
11	AOC	AOC annual charge structure	The banding structure is iniquitous where a fleet is composed of say 2 x 40t aircraft and the remaining say 30 aircraft are less than 5.7t. In this case all aircraft are charged at the 40t rate. This could result in this airlines paying as much as another airlines where all aircraft are greater than 40t. The result will be applications for multiple AOCs by aircraft banded type for a single company. BBGA submit that any target charge should actually be split between a fixed and utilisation element but this was ejected by the JRT. the bandings do not take into account the costs of dealing with highly complex aircraft or different aircraft types.	4
11	AOC	Proposal for passenger levy/charge to recover AOC costs	A Passenger levy/charge would only need to be approximately 30 pence per pax to cover the whole of the AOC regulatory costs and 60 pence would cover all SRG costs! BBGA propose that charges to AOC holders should be reduced to reflect AOC issue/renewal, but not oversight, costs as being fair and reasonable. BBGA cannot support AOC proposals that seeks to move to a system totally based on cost relatedness before industry and regulator have transitioned to a new "reality" based on regulation proportionate to risk. The number of passengers carried in 2003 by scheduled airlines was 110 million (CAA Stats.).	5
11	AOC	Transition arrangements for AOC Scheme	It is appreciated that there is a cap of 25% on year one's charge increases but how long will this cap apply to each year during the transition period and, if so, how long will the transition period be?	2
11	AOC	Alternative regulatory structure for pleasure flight operators	Pleasure Flight operators should not have to have an AOC and be covered by the same regulation that covers large airlines.	1
11	AOC	Transparency of AOC annual charges	For transparency and accountability that the four "fixed" annual cost-related AOC charges are kept separate rather than charged as one annual charge. The four annual charges being regulatory oversight, flying training, medical oversight and, for the over 40 tonne operators only, continued airworthiness should be kept separate rather than combined under one annual charge.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
11	AOC	Suggested cost differences for shorthaul and longhaul fleets	There is a clear differentiation between the costs associated with shortfall and long haul fleets - not taken into account in the proposals. Rather than transfer costs from variable to fixed, the effect of long haul and short haul fleet costs lends itself more to the variable charge mechanism which is currently in existence.	1
11	AOC	Suggested cost differences for flying training costs	Flying training costs vary between turbo prop, regional jets, short haul and long haul aircraft. Time out of the office and expenses, together with higher operational costs incurred, should separate training flights being undertaken rather than live flying, will certainly be significantly greater for training on long haul aircraft.	1
11	AOC	Reflection of greater pilot deployment for longhaul operators	Medical oversight activities - charged according to number of pilots employed by the AOC holder. Assumptions have presumably been made to incorporate into a fixed charge using a standard number of pilots per aircraft above and below 40 tonnes. However, more than twice as many pilots are required for long haul, and this does not appear to have been taken into account in the banding structure proposed.	1
11	AOC	Range of aircraft within over 40 tonne group for continued airworthiness	The highest banding split under the proposals is 40 tonnes, which does not differentiate between relatively small aircraft and large more complex aircraft.	1
11	AOC	Basis of allocation of IT costs	The study regarding IT costs has been concluded. What were the assumptions made for the basis of IT cost allocation. Not sure whether this study has been concluded?	1
11	GAD	Some GAD activities not charged for	Activities such as regulation of CAP632 aircraft, large model aircraft and UAVs are not specifically charged for - why?	1
11	GAD	No changes to parachuting charges	Why was there no charge increases planned for the parachuting activity?	1
11	GAD	Proposal for partial subsidisation of air displays by airlines	The increase in air display charges will make most air shows unviable. Airlines should partially subsidise the air show industry as this stimulates interest in the aviator generally.	1
11	GAD	Regulatory efficiency in context of methods in USA and Australia	The CAA should look at the methods adopted by the FAA and the Australian CAA. JRT gave little regard to increasing regulatory efficiency or seek ways to reduce regulatory activity which is dragging down GA with little or no improvement in safety.	1
11	General	Smaller organisations and individuals cannot pass on their costs	Smaller organisations and individuals cannot pass on their costs. Large organisations have means of minimising their costs or reclaiming them which is not available to the smaller organisations or GA generally. To reduce the level of costs on larger organisations/operators on the basis of a perceived injustice is wrong. Effect of HIAL is increased costs of £176k. Increasing prices for helicopter companies. drives away customers from the cheaper end of the market as passengers are only ones or twos rather than 300+ per flight.	15
11	PLS	AMEL type ratings conversion to Part-66	Should have a more flexible approach to granting type ratings during conversion to Part-66. Accepting of type rated courses given by training establishments who at the time were not Part 147 recognised but become so a few months later after the course was taken.	1

Theme	Scheme	Topic	Charge payer comment	Number of comments*
11	PLS	AMEL Log book assessors	AMEL Log book assessors should not be charged for this status as no assessor should ask for any fee for this task to be undertaken.	1
11	PLS	Administration for pilot licensing	There are significant admin activities in licence renewal that simply could be eliminated if cost exceeds revenue. For example, the FAA regime is effective and cheap. The ATPL/CPL is understandable in warranting extra checks but not for other classes. How can increases of between 7% and 9% be justified?	4
11	PLS	Link between price increases and regulatory activity	The proposed increases to personnel licensing fees applies a charge to the community of licence holders when there is no link to the regulatory activity being funded - this must be ruled not possible and the increases be withdrawn.	14
11	PLS	Efficiency improvements to licensing from technology	CAA should examine new technology to improve the efficiency of license issue and permit a reduction in fees. Why does it take around 3 weeks to issue a license or add a rating. Introduce an on-line system for applications with appropriate data supplied and validated by the FTO and examiner?	2
11	PLS	Transition arrangements for AMEL charges	AMELs should recover their full costs. There is no case for a subsidy from the AOC Scheme, especially as many AMEL holders are not employees of UK AOC holders.	1
11	PLS	Time-relatedness of PLS charges	There is scope for PLS charges to be based more on time related activity. It would be timely to review this area since when last undertaken some years ago, it was shown conclusively that some applicants, particularly where medical queries were raised, were paying only a fraction of incurred costs.	1
11	REG	Commercial value of vanity registrations	This charge should not be less than £500 charged by the DVLA for car registrations. Out of sequence registrations cater for an owners vanity.	1
11	REG	Military markings	An exemption to fly in military markings saves the cost of a respray and should be charged at a far higher rate say £1,000. This should be the case unless the owner has a specific historic reason for remaining in authentic military markings.	1
11	General	Time recording for cost allocation	Time recording system is not mature and leads to haphazard allocation of working hours by individual staff. This does not argue well for accurate cost allocation.	5
11	General	Time recording for cost allocation	Recording of time is only the first stage. There should be reviews carried out to determine the accuracy of recordings made. There should also be a system in place where the costs can be assessed by an independent person in case of dispute - has the CAA done this?	1
12	General	Beneficiaries of Mode S transponder requirements	The cost and installation of Mode S transponders into GA aircraft should be paid for by the beneficiaries of this regulation. If airlines want people to have Mode S transponders then they are the ones that benefit and therefore should pay for the regulation.	1
Total number of comments				855

* Note that in the case of one submission relating to air displays, 59 virtually identical copies of the same submission were received from different respondents. While the CAA recognises the strength of feeling on the points raised, for the purpose of this summary, each point raised has been considered as one response.