

CAA STRATEGIC PLAN 2011-2016 CONSULTATION

GENERAL AVIATION ALLIANCE RESPONSE

General

The GA Alliance is a group of organisations representing, as far as possible, all UK General Aviation (GA), and Sports and Recreational Aviation interests (S&RA). The Alliance coordinates about 72,000 subscription-paying members of these bodies. It is estimated that in total more than 100,000 people are involved in GA and S&RA. This covers parachuting, hang gliding, gliding, sport and recreational flying in light and microlight aircraft and helicopters. The GA Alliance objective is to co-operate and consult with government departments and other relevant organisations to support and progress these interests.

In developing this response, we have worked closely with the GA Alliance member organisations, some of which will respond individually. It is inevitable therefore that comments within this document will be repeated in a number of responses submitted to the CAA.

CAA recognition of the importance of GA is welcome, but we note in the CAA Strategic Plan Consultation a disappointing lack of strategic vision for UK GA and S&RA. GA is far from insignificant - the majority of UK civil aircraft and flights are in that sector. Recent research indicates that GA represents a considerably larger economic slice of UK aviation than this Plan suggests. We later note important strategic issues for the future of GA that are missing from the Plan, including safety issues affecting all stakeholders.

We note the Plan's focus on consumer protection and environmental issues, which will modify the Authority's regulatory role. We have concerns that consumer focus will present conflicts of interest for the CAA as well as distract the Authority from its historic primary role as safety regulator. Additional activities to protect the consumer from 'industry' will have costs, which must be borne by those whom the CAA regulates. Our members should not be expected to pay for this activity through CAA charges but would expect that economic burden to apply to CAT, ie where it belongs.

We also point out below that the CAA should more specifically recognise the existence of the significant and growing sector of private owners/operators of S&RA aircraft. The CAA has national responsibility for the airworthiness oversight of many thousands of S&RA aircraft including all EASA types. We hope that the CAA will work with us to develop a better regulatory regime both under EASA and National Annex 2 requirements which builds upon the latest developments in technology and operational capabilities for these aircraft. Recognition of and understanding these recent advances will advance future safety performance. There is a need to recognise the environmental challenges for light aviation. Given proportionate regulation, UK industry could be encouraged to address those challenges as participation and business opportunities.

Answers to specific consultation questions

In responding to these questions, we have repeated the points raised by the LAA in their response to this consultation which are applicable across the entire S&RA industry.

THE UK AVIATION SECTOR

Would you agree that this is a fair representation of the strategic issues facing the UK aviation sector over the next five years?

The Role and Importance of GA. We welcome the recognition, in the first section of this document, of the value of GA to the economy and to its importance for the UK aviation sector generally. Using CAA 2006 figures, GA represents about £1.4bn, or 14% of the UK aviation sector in terms of economic activity. However, a more recent study by PriceWaterhouseCoopers¹ on the value of Business and General Aviation found that the contribution to the UK economy was £3.7bn, equivalent to 0.2% of UK economic activity, with 50,000 people directly employed. There are about 21,000 active Private Pilots. GA includes the great majority of UK-registered civil aircraft. CAA statistics for January 2011 indicated that 20,379 civil aircraft were registered in the UK, of which 13,811 were currently active, more than 12,000 being GA. There were 4,499 active powered aircraft with a national Permit to Fly. Lober² estimated in 2008 that 4.6 million GA movements took place annually between approximately 1,140 flying sites. This figure is more than twice that for the combined numbers of airline sectors and cargo flights, involving UK airports.

From these statistics, it should be abundantly clear that UK aviation must be regulated by a body that takes a serious interest in the GA sector, and is not driven by a strategic agenda constructed entirely around CAT and the airline passenger. We believe that a clearer recognition and indeed inclusion of these figures would be useful, to help balance the focus towards 'industry' – frequently conflated with Commercial Air Transport (CAT) - which predominates through the remainder of the document.

Are there key issues facing General Aviation that are not identified here?

GA Access to Airspace and Airports. Controlled airspace (CAS) has the effect of excluding most GA users. Thus, it provides valuable benefits for CAT operators by allocating a public resource primarily for their commercial benefit. We may note that UK CAS is managed primarily by NATS, a corporation whose controlling shareholders are CAT operators.

There is continual pressure from business interests to allocate more CAS, the argument being made on safety grounds, often concealing an underlying commercial motivation. Future Airspace Strategy (FAS) discussions to date have raised the prospect of a further wave of CAS encroachment to facilitate trajectory-based routings for CAT, which will doubtless be presented for their safety and environmental benefits but which will certainly also benefit CAT schedules and fuel bills. The large areas of unnecessary CAS recently allocated around relatively minor airports (e.g. Doncaster) illustrate the adverse impact on other airspace users. Many GA airspace users, together with the military, are squeezed into ever-smaller Class G areas with 'corridors' and 'pinch points' where the risk of midair collision is inevitably increased. The GA organisations also fear that access to CAS will increasingly require the fitment of expensive additional avionics. The CAA must take greater account of the needs and safety of all airspace users, particularly GA users, in the development and implementation of the FAS, and be prepared to release CAS if new plans make it redundant.

¹ PriceWaterhouseCoopers, The Value of Business Aviation, March 2009

² Lober, T., 2008, 'The effectiveness of national strategic guidelines at a local level: a case study of the UK general aviation industry.' PhD Thesis, Bartlett School of Planning, University College London, London University

We recall the CAA's recommendation in its 2006 Strategic Review of General Aviation which noted the need for '...a *Policy Statement on the value of maintaining a viable network of GA airfields to be considered by those involved in planning decisions....*' Given the demise of county (and probably soon regional) plans, local planning authorities will be left with a very limited framework within which to work. GA related issues cannot be properly assessed at a local level, as flying sites form part of a much larger national network. The CAA's strategy for GA must aim to fill this gap. As regards GA access to larger airports, the CAA's strategy should oppose the undue exclusion and deterrence of GA traffic from regional airports, whether by pricing or other policy contrivance.

THE REGULATORY CHALLENGE

Are there other challenges facing the regulator, in your view?

The Third Sector. We would like to emphasise that there are three, not two sectors to which CAA has a regulatory responsibility. These are industry (including not only CAT but business aviation and GA businesses), the consumer, but also the thousands of non-industry aircraft operators, many of whom are engaged in S&RA. Private aircraft operators hold aviation assets in the UK worth perhaps £1bn, and form a major element of GA. They are increasingly well-organised into representative associations, demanding and receiving stakeholder status from government, EASA and the CAA. The CAA's challenge is to make proper regulatory provision for these significant stakeholders in UK aviation, without being captured either by a blinkered focus on CAT or by a consumerist agenda. We note that the CAA retains full regulatory responsibility for several thousand non-EASA Annex II aircraft, an area of particular interest to our members.

What do you think the CAA should be trying to achieve in Europe and internationally?

Fighting our Corner in Europe. The CAA should always develop its response to initiatives from Europe and elsewhere, in terms of the benefit to all sectors of UK aviation. This is the best way of "helping aviation to make a contribution to sustainable economic growth", the first priority of the Secretary of State. We welcome the expressed intent that, "a desire for consistency across Europe does not lead to the imposition of an expensive regulatory approach and rule-set that may suit the commercial sector but which could restrict the benefits currently enjoyed by General Aviation." If UK GA organisations oppose, for example, a SESAR initiative on the grounds that it will represent a restraint on GA economic growth, we expect the CAA to take their part. The Authority should always resist the urge to be an early adopter or to 'gold-plate' European regulations.

From Europe, there are significant threats to UK GA, but also some positive signs. The European Parliament has recently passed an important resolution which shows an enlightened and positive attitude towards GA and Business Aviation, The 2009 European Parliament resolution 'An Agenda for a Sustainable future in General and Business Aviation' is a well-considered document with recommendations based on discussion and agreement with the European GA community. However the European Commission appears ambivalent, while EASA and EUROCONTROL have shown themselves reluctant to consider GA interests, and resistant to genuine GA stakeholder engagement. For example, EUROCONTROL and SESAR UJ have thus far paid scant attention to GA issues in the SESAR project, meanwhile busily developing complex technologies which will effectively exclude GA from the future ATM system. The CAA must take a positive stand to address these issues, even at the risk of unpopularity in the councils of Europe.

Internationally, there are many opportunities to consider best practice in aviation regulation, but there is little indication in this document that the CAA intends to benchmark or engage bilaterally with European and worldwide NAAs, in the search for best practice. This is of particular importance for the non-EASA Annex II sector, where countries as disparate as the Czech Republic, USA and Australia have significantly more proportionate regulation for homebuilt/microlight aircraft, and have reaped the benefits in term of wealth creation by a thriving manufacturing industry.

ENHANCING AVIATION SAFETY – Strategic Objective 1

Do you think we have fully captured the challenges of regulating safety?

No. The document is full of generalities about a new risk-based safety management capability, but there is little to address our specific safety needs. The majority of UK flights are GA flights. Needless to say, the majority of fatal and non-fatal aviation incidents are GA-related. But predictably, beyond the work of the ASI, safety for GA and S&RA receives little regard.

We support education and awareness-based initiatives against CAS infringement, but you will note our concerns expressed above, about the safety implications of potential CAS changes to facilitate CAT trajectory-based-operations. Indeed, our concerns go further - the entire future SESAR/FAS trajectory-based concept will have important repercussions for GA integration, interoperability and aviation safety. The current trajectory-based concepts, driven by CAT business needs, have simply ignored GA to date. The business-oriented nature of the trajectory-based concept, and the level of planning, automation, organisational and ITC infrastructure required to engage with it, will present great difficulties for GA operators and pilots. It should be appreciated that there may be several thousand GA aircraft airborne in the UK, during a pleasant summer day. The appearance of unscheduled and unexpected GA traffic, not included in the Network Operations Plan, will clearly test the resilience and stability of the trajectory-based operations concept. Failing to address this strategic safety issue in the hope that GA will somehow go away by 2020, or that shutting-out GA will become a viable option, ignores the political and economic realities.

By aircraft conspicuity, we believe that you refer mainly to additional avionics fit, mandated for GA. As most UK civil aircraft are GA aircraft, it follows that the financial burdens of funding new 'safety' requirements (such as Mode-S transponders and the extension of VHF 8.33 KHz spacing) fall mainly upon GA, who will obtain little safety or other benefit from the changes. We estimated that these two requirements alone will cost our members tens of £millions from taxed income. The introduction of ADS-B and other likely future SESAR/FAS-related technologies are also set to benefit CAT (although these are usually referred to as 'safety and environmental benefits'), but will be disproportionately funded by GA. As regards services, the provision of LARS is patchy, inadequate in key areas, and is currently suffering from the pressures on military budgets. Meanwhile, the VHF radio spectrum used by GA has been attacked by the doctrinaire 'incentive' regime devised by OFCOM, which will certainly lead to a reduction in radio facilities used by GA aircraft and hence impair aviation safety. This area deserves a CAA policy initiative, perhaps to provide more common air-ground frequencies.

Have we set out the right outcomes for our regulatory efforts? Are they achievable in the period?

No. See above.

Are the strategies we have described sufficient to deliver the desired outcome?

No. See above. We do, however, welcome the expressed intent to gather more safety data to provide the basis for an evidence-based approach to safety regulation and promotion.

IMPROVING CHOICE AND VALUE FOR CONSUMERS – Strategic Objective 2

Do you think we have fully captured the challenges of ensuring consumers have choice, value and fair treatment?

The Consumers' Interest – or a Conflict of Interest? The proposals outlined represent a major step in extending the CAA's remit into consumer protection and competition. Our members are also consumers, and as such we value good consumer information and fair consumer protection against bad practice in business. We note that the Office of Fair Trading is well-established as the UK's official consumer and competition watchdog.

The GA Alliance objected strongly to aspects of the 2009 DfT consultation which proposed the introduction of a consumer-protection role into the CAA's remit, and we welcome the more sensible and balanced language in this strategy document. Nevertheless, we have serious reservations about the proposed consumerist agenda. As indicated above, there is a third sector (neither industry nor consumer) who are significant stakeholders in UK aviation. The CAA's strategic vision must recognise and embrace this growing sector, rather than dwindling into a two-dimensional 'consumers versus industry' mindset.

In principle, we believe that aviation safety and the promotion of all sectors of UK aviation should always be at the forefront of the CAA's regulatory decisions. Any elevation of the consumer's interests to the first place would be misguided, and could have adverse consequences for UK aviation. Consumer protection, appropriately balanced with *caveat emptor*, has its due place in a civilised and compassionate society; but that place is not at the top of the aviation regulator's list of priorities. An aviation regulator must place safety first – the commercial considerations of CAT are inextricably linked to regulation, risk and safety. If a safety regulator also becomes a consumer champion, then passenger convenience and the consumer experience inevitably become part of the regulatory equation. Safety is not always convenient for the consumer, and blurring the boundaries can be dangerous. There are numerous instances in aviation history, for example the 1958 Munich crash, when considerations of passenger convenience have set the scene for disaster. The GA Alliance believes that aviation safety regulation must always remain the primary overriding priority for the CAA, and that all other priorities must be secondary. What mechanisms will CAA put in place to make sure that safety remain paramount, in its new role as consumer champion?

Have we set out the right outcomes for our regulatory efforts? Are they achievable in the period?

We have no comment, beyond the general concerns expressed above.

Are the strategies we have described sufficient to deliver the desired outcomes?

We have no comment.

IMPROVING ENVIRONMENTAL PERFORMANCE – Strategic Objective 3

Do you think we have fully captured the challenges of contributing to improvements in environmental performance?

GA Environmental Issues and CAA Regulation. In passing, we note the casual conflation of CAT fuel costs with environmental benefits. The mindset of the authors seems to be pure CAT – the document has not identified key environmental issues relevant to GA and SRA, in particular the necessity to (rapidly) approve the use of alternative fuels for piston-engined aircraft, and to support the development of electrically-powered light aircraft. These are significant issues for aviation worldwide and present challenges for national regulators. In particular, how will the CAA ensure that its regulatory approach does not stifle our UK industry's ability to engage innovatively and

successfully with these environmental challenges? We note the relative success of the SRA aircraft industry in other European countries; this is ascribed by many to regulatory and interpretation differences.

Have we set out the right outcomes for our regulatory efforts? Are they achievable in the period?

FAS – much pain for little gain? The FAS is being presented as an environmental initiative, but with notably modest emissions targets. Although the FAS discussions are at an early stage and the current draft proposes that the FAS will meet the needs of all airspace users, it does not discuss airspace requirements for GA operations. As explained above, the GA Alliance is concerned that FAS will result in much new CAS, imposed in the interest of a mere 10% reduction in CAT emissions. Is this a significant outcome?

Are the strategies we have described sufficient to deliver the desired outcomes?

As noted above we have reservations about the limited scope of the CAA's thinking on the environment, and the modest targets for the environmental outcome of the FAS initiative, but welcome the intention to engage with stakeholders, identify and support environmental initiatives and play a useful, value-adding role.

BEING A BETTER REGULATOR – Strategic Objective 4a

What are your suggestions for activities that we could stop doing, or regulations that we could drop, without increasing the risks of adverse outcomes for consumers?

Enforcement. Although there is an expressed intention to develop transparent enforcement processes in conjunction with stakeholders, we do not see any specific reference in the strategy document to enforcement policy against pilots. The document is focussed entirely on regulating the industry-consumer nexus. We were aware of recent DfT proposals that CAA should use the powers of the Regulatory Enforcement and Sanctions Act 2008 to introduce a range of civil sanctions. We would oppose any such development and believe the existing, balanced CAA approach works well. Enforcement should always be a last resort, because a heavy-handed legalistic approach can quickly negate the benefits of a just, open reporting culture.

Airfield Security. We also note the Secretary of State has asked the CAA to "To be actively involved in the process of transferring certain aviation security regulation functions from DfT to the CAA". We understand from DfT sources that this means that the activities of TRANSEC will be transferred to the CAA. The security regulation of small airfields is of great concern to our members, and we responded last year to a relevant consultation from DfT/TRANSEC on this area (which was poorly conducted and on which we have heard nothing further). We hope that the CAA will approach this area with a light touch, in a proper spirit of full consultation.

What is your view on our thoughts on the emerging role of the regulator to identify emerging system risks and co-ordinate the industry response when well-placed to do so?

A Governmental Task? In most countries this would be considered a governmental task headed by the Aviation Minister. If the relevant government department is not to be tasked, staffed or equipped to deal with aviation risks, the regulator may find a role. We await the DfT's consultation on aviation policy development but assume that the CAA is proposing this strategic role for itself, because it is already aware that DfT will not be assuming the responsibility. If that is the case, we support the CAA's intent to adopt this role.

BEING A MORE EFFICIENT ORGANISATION – Strategic Objective 4b

Which skills and capabilities is it most important for the CAA to develop? Which skills and capabilities do you see becoming less important in the future?

Regulating Annex II. The CAA clearly sees its future in developing a strategic role as a consumer and environmental champion, while continuing to fulfil those elements of its NAA task which EASA requires. However, CAA must also continue to discharge those regulatory roles from which EASA is currently excluded by its Basic Regulation. In particular, we are concerned with Annex II aircraft, and hope that the CAA will make use of its continuing national autonomy in this area to create, with stakeholder engagement, a sensible and proportionate regulatory regime for the several thousand aircraft involved. Such aircraft constitute a substantial minority of light aircraft in the UK and include our members' aircraft. We believe that a strategy of proportionate regulation of Annex II aircraft, with maximum delegation of technical oversight to experienced and responsible GA associations such as the BGA, BHPA, BMAA and LAA should commend itself to the CAA. That will mean reviewing and updating the restrictive BCAR approach, to facilitate a Permit to Fly airworthiness regime which permits and indeed encourages businesses to innovate in design and manufacture of S&RA aircraft, ancillaries and avionics to meet environmental and technical challenges. This would allow Authority to focus more effectively on its new consumer and environmental roles, while freeing up the UK S&RA industry to develop its competitiveness vis-a-vis other European countries. In particular, Annex II aircraft need proportionate national airworthiness regulation.

What suggestions would you make for how we could reduce our costs?

Lean, sustainable and fair. The CAA must fund its activities from charging the industry (and the thousands of private GA operators) which it regulates, and also make a surplus. This is a tough task, and demands the effective use of modern business approaches to efficiency improvement. The CAA's top management (especially given that their salaries are set by comparison with business, not civil service benchmarks) must show leadership and rigorously apply the best methods of business efficiency improvement. There is little doubt that a fully-implemented Lean initiative would have a significant impact on costs and throughput. We welcome the expressed intention to address these issues, but the tone and wording does not suggest a total commitment to Lean principles, process orientation and waste reduction.

Considering staff costs, we note the intent to fully fund pension obligations. CAA pensions are notably generous. 'Gold-plated' index-linked final salary schemes will increasingly become unsustainable, while most UK workers in both public and private sectors face adverse changes to their pension schemes. CAA management must be prepared to address these issues in a robust, business-like spirit and establish realistic levels of pension provision to ensure a sustainable future for the Authority.

We are also concerned at recent DfT ministerial statements that 'the user pays' in the aviation policy framework. This simplistic concept is at the heart of the disproportionate charging of the GA sector, which pays high equipment and infrastructure costs, primarily for the safety and regulation of Commercial Air Transport. 'Beneficiary pays' must be the principle in the CAA's aviation policy, not 'user pays'.

DELIVERING THE STRATEGY

How should the industry prepare to respond to unpredicted shocks?

The events and pressures associated with the volcanic ash cloud have understandably exercised the CAA's leadership and influenced this strategy document. The GA Alliance has doubts, expressed above, as to whether the regulator is the natural industry coordinator in the event of systematic shocks, although it certainly will have a role.

What more could the industry do to anticipate unlikely, high-impact disruptions?

There is considerable academic research on systems resilience. The CAA should take account of this work - never forgetting, of course, the existence of 'unknown unknowns'! In planning, the CAA and stakeholders should consider the basic principles of systems resilience (e.g. diversity, flexibility, decentralisation, big-picture, etc.) One focus should be on promoting and retaining a diverse aviation capability, in terms of ground facilities and aviation assets. The tendency towards seeking apparent strength through standardisation, centralisation and control should be avoided, as these factors are the enemies of resilience.

GA Alliance
4th March 2011