Title:	Impact Assessment (IA)
Amendment of the ANO 2009 and British Civil Airworthiness Requirements.	**Date:** 25/10/2011
IA No: CAA - ASAP - 0001	**Stage:** Final
Lead department or agency: Civil Aviation Authority	**Source of intervention:** Domestic
Other departments or agencies:	**Type of measure:** Secondary legislation
	Contact for enquiries: UK Airworthiness Rulemaking Manager email: Requirements@caa.co.uk

Summary: Intervention and Options

RPC: RPC Opinion Status

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANCB on 2009 prices)	**In scope of One-In, One-Out?**	**Measure qualifies as**
£1.44m	£1.44m	£0m	Yes	OUT

What is the problem under consideration? Why is government intervention necessary?

When the European Aviation Safety Agency was created in September 2003, the EU Regulation was written such that it excluded a small category of aircraft with regard to their airworthiness regulation. These aircraft remain the responsibility of the relevant national aviation authorities, in the UK, the Civil Aviation Authority. These so called 'non-EASA' aircraft are regulated using the time honoured British Civil Airworthiness Requirements. When aircraft need to move from one regulatory system to the other for operational reasons, due to the difficulties of finding procedural equivalence, additional costs and risks are incurred.

What are the policy objectives and the intended effects?

The objective is to introduce a new set of British Civil Airworthiness Requirements for aircraft maintenance and continuing airworthiness which are as close as possible in style to the European regulations, this will avoid the costs and risks involved in operating two different airworthiness regulatory systems in parallel, and offer the UK aircraft operating and maintenance industries the benefits of the more modern European style regulations. The changes to the BCARs will introduce a new non-expiring certificate of airworthiness and an Airworthiness Review Certificate as already used in the European system. Changes to the Air Navigation Order will be required in order to give these changes a legal basis.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Two policy options have been identified:

(1) A 'do nothing' option. Doing nothing would perpetuate the additional costs and risks incurred when transferring aircraft between the two different regulatory systems and would not allow those sectors of the industry looking after BCAR aircraft, the benefits already enjoyed by those sectors of the industry operating under the European regime.

(2) Introduce European style regulations for the 'non-EASA' aircraft, this will make it much easier to transfer aircraft between the two regulatory systems in order to meet operational needs, reduce the costs and risks associated with trying to find procedural equivalence between the two systems and will enable qualified organisations dealing with aircraft maintained under the BCAR system to issue review certificates without the involvement of the CAA. The preferred option is option (2).

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 10/2013						
Does implementation go beyond minimum EU requirements?			No			
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes	
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent) No impact due to this proposal.			**Traded:** n/a	**Non-traded:** n/a		

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Theresa Villiers Date: 22/6/2012

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	**High:** Optional	**Best Estimate:** £1.44m

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate			0	**0**

Description and scale of key monetised costs by 'main affected groups'

No costs are envisaged as a result of this simplification of the procedural airworthiness requirements.

Other key non-monetised costs by 'main affected groups'

None envisaged.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate			£0.173m	**£1.44m**

Description and scale of key monetised benefits by 'main affected groups'

Benefits are reduced costs for **operators and maintenance organisations** trying to transfer aircraft from one airworthiness system to the other, as only one style of procedural airworthiness requirements will be in use. The max. no. of affected aircraft is 120, with the max. additional time to perform a review estimated at 40 hrs. Hourly rate taken to be £29.66, with non-labour costs taken to be 21.2% of labour costs. 29.66 x 40 x 120 x 1.212 = £172,550.

Other key non-monetised benefits by 'main affected groups'

A small reduction in CAA staff costs, as Aircraft Surveyors will not need to be trained, nor kept current on two different sets of procedural airworthiness requirements.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5%

Main assumption is that State aircraft and (EC) 216/2008 Annex II aircraft will continue to remain outside of the responsibilities of the European Aviation Safety Agency. Additionally, there will be no reduction in safety as a result of these changes.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0	**Benefits:** £0.173m	**Net:**	Yes	OUT

Evidence Base (for summary sheets)

There is discretion for departments and regulators as to how to set out the evidence base. However, it is desirable that the following points are covered:

1. Problem under consideration.

Prior to September 2003, the airworthiness of aircraft was ensured by secondary legislation, the Air Navigation Order (ANO) and a set of CAA requirements, the British Civil Airworthiness Requirements (BCARs). In September 2003, EC Regulation 1592/2002 created the European Aviation Safety Agency (EASA), since superseded by Regulation 216/2008. The Agency assumed legal responsibility for the airworthiness of the bulk of the aircraft operating within the EU, several thousands of aircraft. However, the architects of these regulations decided that there were some aircraft for which EASA would not assume responsibility. These aircraft comprise the State aircraft and those aircraft listed in Annex II to the regulations. The relevant texts are included in this impact assessment at Annex 1. These so called non-EASA aircraft remain the responsibility of the national aviation authorities, and in the UK their airworthiness is maintained by the CAA under the ANO and the BCARs.

In addition to the creation of the European Aviation Safety Agency, the EU law makers created a set of implementing regulations, these are EU law and the one of relevance to this impact assessment is Commission Regulation (EC) No. 2042/2003 'on the continuing airworthiness of aircraft and aeronautical products, parts and appliances, and on the approval of organisations and personnel involved in these tasks'. This regulation contains four annexes, the relevant ones for the purposes of this impact assessment are Annex I (Part-M) and Annex II (Part-145). These annexes are based on the concepts of a non expiring certificate of airworthiness and a document called an Airworthiness Review Certificate (ARC). This latter document is a certificate issued when an approved organisation is satisfied that a particular aircraft is airworthy. The approved organisation has to review all of the documentation associated with the maintenance of the aircraft and its state of modification and repair. This approach to airworthiness is seen as a more modern approach by the European Aviation Safety Agency, involving the approved organisation more deeply in finding the aircraft airworthy, and therefore superior to any previous approaches to the maintenance of the airworthiness of aircraft.

On the other hand, the relevant British Civil Airworthiness Requirements were developed over many decades prior to the creation of EASA and its implementing regulations. The BCARs and the relevant articles of the Air Navigation Order are based upon the concept of an expiring certificate of airworthiness, which must be renewed after maintenance, modification or repair of the aircraft by the CAA. There is no such device as an Airworthiness Review Certificate in the UK ANO/BCAR system.

Because some aircraft will need to move between one system and the other, there is a need to make these movements as simple as possible. An example of such a move might be that a Police Authority might need a helicopter to stand in for their usual aircraft whilst it is undergoing heavy maintenance. A helicopter of the correct type may be available, but it will be operating under EASA regulations, with an EASA non-expiring certificate of airworthiness and an Airworthiness Review Certificate. As a Police operation is a State aircraft operation, the aircraft cannot legally be operated under Regulation (EC) 216/2008, it is outside the legal competence of the EU and EASA. The aircraft therefore needs to be issued with a UK CAA type of certificate of airworthiness. Clearly, the approved organisation and the CAA will need to find procedural equivalence between the two systems, and in practice this is a source of additional work and costs, both for the operator and the CAA. This is compounded, when the aircraft returns to being an EASA managed aircraft, as during its time as an ANO/BCAR managed aircraft, it will have had no Airworthiness Review Certificates issued, as no ARCs are required under the old UK system.

These proposals are designed to produce a set of BCAR rules which resemble the European/EASA system as closely as possible. This will make it as easy as possible for aircraft which have to move from one system to the other for operational or other reasons. Changes to the Air Navigation Order are also needed in order to give the changed BCARs, particularly the non-expiring certificate of airworthiness and the national airworthiness review certificate (National ARC), their legal basis. The need to change the secondary legislation of the ANO, has given rise to this impact assessment.

2. Policy objective

CAA's policy objective is to produce a British Civil Airworthiness Requirements regulatory system which looks as close as possible to the EASA regulation system so as to facilitate the movement of aircraft between the two systems. Changes are needed to the Air Navigation Order in order to give a legal basis for these revised and modernised BCARs.

When aircraft being maintained under the EASA Part 145 (European maintenance requirements for aircraft used in commercial air transport) or Part M (European maintenance requirements for aircraft not used in commercial air transport), regulations are needed as, for example State aircraft, they must move from the EASA regulatory system to the BCAR system. The CAA cannot apply the Part 145 or Part M regulations, which both it and the industry would prefer to do, as these fall within the legal competency of the EASA. Therefore, CAA intends via this proposal, to introduce BCAR rules as close as possible in style to the EASA rules, so that a consistent standard may be applied to the maintenance and continuing airworthiness of these aircraft, and to make transfer of the relevant aircraft as straightforward as possible. There will be no additional cost for those companies which choose to convert their approval, other than a small written addition to their capability exposition to describe the aircraft types they wish to cover.

Who is affected:

The organisations affected will include some operators, who may have their own aircraft maintenance engineering departments, plus organisations which exist solely to perform aircraft maintenance and continuing airworthiness work under contract.

Safety Assessment:

It would be safer to have a BCAR regulatory regime based upon the European regulations, than to persist with the existing UK system which is based upon different principles. Having two different regimes, makes it difficult to find procedural equivalence for an aircraft transitioning from one regulatory regime to the other and would be conducive to error on the part of maintenance and continuing airworthiness organisations, and also possibly, on the part of CAA Airworthiness Surveyor staff operating 'in the field'. The EASA style regulations involve the approved organisation much more, rather than relying more on the Aviation Authority, in finding a particular aircraft airworthy. It should be noted that, there will be no change to the technical requirements for aircraft, the changes all centre around the aircraft maintenance inspection regime and the change from regular certification by the CAA, to the issuing of a non-expiring certificate of airworthiness, with reviews being carried out by approved organisations. The changes therefore, impose no additional costs or reductions in safety.

3. Descriptions of options considered

Option 1 – 'do nothing'

It would be unsatisfactory to leave the BCAR requirements as they are, because CAA is having to make changes to its internal procedures used for dealing with these excluded aircraft, in order to accommodate the fact that the EASA system exists and the majority of Europe's aircraft are already covered by it. The existing BCAR texts no longer describe how CAA deals with the aircraft excluded from the legal remit of the European Aviation Safety Agency, and it would be misleading to continue to promulgate these requirements procedures as correct. Doing nothing would perpetuate the safety risks and additional costs incurred by running two entirely different systems in parallel. The present system only permits certificates of airworthiness to be renewed through the CAA.

Option 2 – introduce European style regulations for the 'non-EASA' aircraft

Make a comprehensive revision of the relevant British Civil Airworthiness Requirements to reflect the principles upon which the European regulations used for European Aviation Safety Agency aircraft are based. This will demonstrate the UK's support for the principles of the European regulation as requested in the last sentence of Article I, second paragraph of Regulation (EC) 216/2008 (see Annex 1 to this impact assesssment). Moreover, it will provide consistent regulations for those aircraft which will transfer between the two regulatory systems, reducing any safety risk in running two different systems alongside each other.

For those organisations presently approved to EASA organisation rules, these amended BCAR requirements will enable them to manage both groups of aircraft in exactly the same way. There will be no additional cost for those companies which choose to become approved under the new BCAR company approval, other than a small written addition to their capability exposition – this should only take a few minutes to write. Companies will have the opportunity to become approved to issue the Airworthiness Review Certificate, enabling them to re-validate the non-expiring certificate of airworthiness without CAA involvement, a major advantage compared with the existing BCAR system which requires the involvement and costs associated with CAA involvement in the renewal of the existing UK style renewable certificates of airworthiness.

The supporting legal changes needed to be made to the Air Navigation Order in order to give the BCAR requirements their legal basis, introduce no additional regulations, and no new costs to either the CAA or the affected industry. The ANO articles which will permit the CAA to issue non-expiring certificates of airworthiness and the conferring on suitably approved organisations of the right to issue National Airworthiness Review Certificates, will replace the present articles requiring the issue of expiring certificates of airworthiness by the CAA, entirely.

One In, One Out:

Whilst this regulatory proposal does not strictly meet the definition of being within the scope of OIOO, as no secondary legislation (Air Navigation Order), is being eliminated, several of the proposed BCAR chapters will fully replace existing chapters, which will be deleted. In addition it will be possible for certain organisations to become qualified to issue an Airworthiness Review Certificate, and therefore re-validate one of the new non-expiring certificates of airworthiness, without further reference to the CAA, which is an advantage not available under the existing BCARs, and represents a small amount of de-regulation. Therefore a limited amount of 'one in one out' regulation change will occur.

Consultations

Two rounds of internal consultation were carried out within the CAA, to solicit the opinions of a wide range of technical experts and managers, upon the BCAR changes. The first comment round produced 360 comments, and the second round produced 29 comments. These were used to develop and refine the proposals. An external consultation was carried out between October and December 2010, of those companies and organisations affected. Proposals to make changes to the Air Navigation Order in order to support the introduction of these proposed BCAR changes were included. No comments were received regarding the proposed ANO changes. 66 comments were received regarding the proposed BCAR chapters, a brief comment summary is attached at Annex 2.

Costs

There are estimated to be no additional costs involved. There will be cost reductions, as it will no longer be necessary to maintain two entirely different systems. Those companies which are currently approved under the EASA system will incur no new costs from replacing their existing BCAR approvals with the new EASA style approvals. Safety may be improved by this change to the regulations which are intended to bring the UK into alignment with European legislation.

Benefits

The benefits to UK organisations, are threefold: firstly, it will enable maintenance organisations already working to EASA regulations, to use UK regulations based upon the same principles as the European regulations when performing maintenance and continuing airworthiness work on non-EASA aircraft, including the ability to re-validate certificates of airworthiness without the involvement of the national aviation authority, secondly, it will facilitate the movement of aircraft between the two regulatory systems, for example, State Aircraft such as aircraft needed for use by the police (particularly at short notice for operational reasons), and thirdly, it will increase the transparency in CAA's processes and procedures as recommended by the Hampton report, because CAA's regulations will be closely modelled on the now more widely recognised European regulations.

The benefits to CAA, are twofold: firstly, the internal procedures used by CAA staff to perform the initial and any required subsequent issue of the certificates of airworthiness for non-EASA aircraft, will be the same in principle as those used for EASA aircraft, saving a small amount of staff time and costs, and secondly, in situations where an EASA aircraft needs to become a non-EASA aicraft, it will be much easier for CAA technical staff operating 'in the field' to see equivalence between the records and certificates issued for the aircraft as an EASA aircraft and those for its time as a non-EASA aircraft, or vice-versa.

There will be cost reductions for the industry in not having to maintain two different systems operating alongside each other.

The benefits in reduced administrative burden for the industry is assessed as a saving of £172,550 per year. The Present Value (over 10 years) = summation of 172,550/(1.035) to $172,550/(1.035)^{10}$ = 1440031 rounded to £1,440,000.

This is based on the following assumptions:

1. the maximum number of aircraft which could be affected is estimated to be 120 per year, this includes EASA aircraft moving to having UK certificates of airworthiness, and aircraft moving in the opposite direction, from UK to EASA certificates of airworthiness etc. This number is based upon data obtained from the Approvals and Applications department of the CAA, which shows that 64 companies holding BCAR approvals, have in previous years, submitted an average of 1.875 applications of this type, per year.

2. the maximum additional time taken to perform an airworthiness review, due to the differences between the EASA system and the present BCAR system has been estimated to be 40 hours. This number is based upon discussions held with CAA Southern Regional office.

3. the average wage of an industry employee involved in the review has been taken to be £53,500 per annum (£237 per day, based on 8 hours work from a standard economic assumption of 1804 hours worked annually). This wage is based on CAA HR department data, showing that the salaries of engineers recruited to work as CAA airworthiness surveyors is between £44k and 63k depending on experience and amount of qualifications. This data is correct at August 2011.

4. The total resource cost is calculated as being equal to the gross wage rate plus non-wage labour costs such as national insurance, pensions and other costs. Guidance from WebTAG puts the figure for non-wage costs at 21.2% of the wage rate.

Some of the new BCAR chapters, those concerned with the non-expiring certificate of airworthiness and the national airworthiness review certificate, will replace existing BCAR chapters which will be deleted. Therefore a limited amount of 'one in one out' regulation change will occur.

The main assumption is that State aircraft and (EC) 216/2008 Annex II aircraft will continue to remain outside of the responsibilities of the European Aviation Safety Agency. It is possible that a change might be made to Regulation (EC) 216/2008 to bring the excluded aircraft under the remit of the European Aviation Safety Agency, although there is no plan to do so at the present time, and given that the architects of the Regulation chose not to include these aircraft, it seems unlikely that such a change will be soon in coming. In the event that the Regulation was changed to embrace these excluded aircraft, the CAA would immediately withdraw the affected British Civil Airworthiness Requirements.

Wider impacts

Wider impacts are explored in Annex 4 to this impact assessment.

4. Summary and preferred option

The preferred option is Option 2, because it will demonstrate the UK's support for the principles of the European regulation and will provide consistent regulations for those aircraft which will transfer between the two regulatory systems. It will also allow suitably qualified organisations to renew EASA style Airworthiness Review Certificates without the costs presently involved in renewing BCAR style Airworthiness Certificates through the CAA, and will help CAA to meet the recommendations of the Hampton review. There are also potential safety implications, see paragraph 'Safety Assessment' above.

Implementation

Implementation will be by publication of the Air Navigation Order changes in the ANO and publication of the new and revised chapters in the British Civil Airworthiness Requirements publication. The approval of aircraft maintenance and continuing airworthiness organisations, at their request, by the CAA. The initial issue of new non-expiring certificates of airworthiness and initial Airworthiness Review Certificates to the affected aircraft, either at the next renewal of an existing (expiring), certificate of airworthiness; at the owner's request; or when an aircraft needs to transfer from the EASA system to the UK only system.

Annex 1: Extracts from Regulation (EC) 216/2008

{Underlining in both extracts to highlight text relevant to this impact assessment only}

CHAPTER I
PRINCIPLES
Article 1
Scope
1. This Regulation shall apply to:
(a) the design, production, maintenance and operation of aeronautical products, parts and appliances, as well as personnel and organisations involved in the design, production and maintenance of such products, parts and appliances;
(b) personnel and organisations involved in the operation of aircraft.
2. This Regulation shall not apply when products, parts, appliances, personnel and organisations referred to in paragraph 1 are engaged in military, customs, police, or similar services. The Member States shall undertake to ensure that such services have due regard as far as practicable to the objectives of this Regulation.

Impact assessment author's note:

The aircraft described in the first sentence of paragraph 2., above are the aircraft referred to as 'State aircraft' in the impact assessment. It is felt that the proposed changes to the Air Navigation Order and the British Civil Airworthiness Requirements, which this impact assessment supports, are an attempt to satisfy the final sentence of the above EU regulation, with respect to aircraft maintenance and continuing airworthiness.

CHAPTER II
SUBSTANTIVE REQUIREMENTS
Article 4
Basic principles and applicability
1. Aircraft, including any installed product, part and appliance, which are:
(a) designed or manufactured by an organisation for which the Agency or a Member State ensures safety oversight; or
(b) registered in a Member State, unless their regulatory safety oversight has been delegated to a third country and they are not used by a Community operator; or
(c) registered in a third country and used by an operator for which any Member State ensures oversight of operations or used into, within or out of the Community by an operator established or residing in the Community; or
(d) registered in a third country, or registered in a Member State which has delegated their regulatory safety oversight to a third country, and used by a third-country operator into, within or out of the Community
shall comply with this Regulation.
2. Personnel involved in the operations of aircraft referred to in paragraph 1(b), (c) or (d) shall comply with this Regulation.
3. Operations of aircraft referred to in paragraph 1(b), (c) or (d) shall comply with this Regulation.
4. Paragraph 1 shall not apply to aircraft referred to in Annex II.

5. Paragraphs 2 and 3 shall not apply to aircraft referred to in Annex II, with the exception of aircraft referred to in points (a)(ii), (d) and (h) thereof when used for commercial air transportation.
6. This Regulation shall not affect the rights of third countries as specified in international conventions, in particular the Chicago Convention.

ANNEX II

Aircraft referred to in Article 4(4)

Article 4(1), (2) and (3) do not apply to aircraft falling in one or more of the categories set out below:

(a) historic aircraft meeting the criteria below:

(i) non-complex aircraft whose:

— initial design was established before 1 January 1955, and

— production has been stopped before 1 January 1975;

or

(ii) aircraft having a clear historical relevance, related to:

— a participation in a noteworthy historical event, or

— a major step in the development of aviation, or

— a major role played into the armed forces of a Member State;

(b) aircraft specifically designed or modified for research, experimental or scientific purposes, and likely to be produced in very limited numbers;

(c) aircraft of which at least 51 % is built by an amateur, or a non-profit making association of amateurs, for their own purposes and without any commercial objective;

(d) aircraft that have been in the service of military forces, unless the aircraft is of a type for which a design standard has been adopted by the Agency;

(e) aeroplanes, helicopters and powered parachutes having no more than two seats, a maximum take-off mass (MTOM), as recorded by the Member States, of no more than:

(i) 300 kg for a land plane/helicopter, single-seater; or

(ii) 450 kg for a land plane/helicopter, two-seater; or

(iii) 330 kg for an amphibian or floatplane/helicopter single-seater; or

(iv) 495 kg for an amphibian or floatplane/helicopter two-seater, provided that, where operating both as a floatplane/helicopter and as a land plane/helicopter, it falls below both MTOM limits, as appropriate;

(v) 472,5 kg for a land plane, two-seater equipped with an airframe mounted total recovery parachute system;

(vi) 315 kg for a land plane single-seater equipped with an airframe mounted total recovery parachute system;

and, for aeroplanes, having the stall speed or the minimum steady flight speed in landing configuration not exceeding 35 knots calibrated air speed (CAS);

(f) single and two-seater gyroplanes with a maximum take off mass not exceeding 560 kg;

(g) gliders with a maximum empty mass, of no more than 80 kg when single-seater or 100 kg when two-seater, including those which are foot launched;

(h) replicas of aircraft meeting the criteria of (a) or (d) above, for which the structural design is similar to the original aircraft;

(i) unmanned aircraft with an operating mass of no more than 150 kg;

(j) any other aircraft which has a maximum empty mass, including fuel, of no more than 70 kg.

Annex 2: Brief summary of comments received during the consultation of the affected industry

As stated under, Option 2, Consultations, No comments were received regarding the proposed Air Navigation Order changes. Comments were only received regarding the proposed and amended BCAR chapters, a brief summary to try and give a flavour of the comments received and the CAA's responses follows:

Slightly more than half of the comments received were requests for clarification, or raised concerns which were often misunderstandings of the intent of the proposals. Some examples: two commentors requested information regarding transition arrangements, two requested extra guidance material (which has since been written), three queried what would happen to 'Flight under 'A' conditions' (this is a type of approval to fly an aircraft after maintenance, modification or repair, and which are unaffected by the present proposals). Some of the clarifications requested/concerns were related to Permits to Fly, rather than certificates of airworthiness, the present proposals do not affect the issue of Permits to Fly.

Of the remaining comments, five suggested changes to the text which would have created an increased difference between the proposals and the EASA Part M requirements, these were rejected as the main purpose of the proposals is to try and create a set of requirements as close as possible to the existing European requirements. One commentor asked what the CAA would do when the EU "broke up". It was explained that these proposals were supported by the UK Air Navigation Order, and would stand whatever happened to the EU. Five commentors were against the flight test proposals on the grounds that the existing EASA requirements do not contain flight test requirements. It was explained that these proposals contained flight test requirements which CAA believed should be contained within the EASA requirements and that CAA would try to get the European Aviation Safety Agency to adopt the proposals via the technical committees within which CAA technical experts work closely with their Continental counterparts. Seven comments pointed out editorial errors, and two comments simply welcomed the proposals.

Annex 3: Post Implementation Review (PIR) Plan

Basis of the review

CAA Safety Regulation Group - Airworthiness will undertake a commitment to review the outcome of the changes 18 months after their introduction.

Review objective

A check that the new approvals are operating as expected and are facilitating the movement of aircraft between the EASA and the CAA regimes.

Review approach and rationale

A review of monitoring data, including effectiveness of the new approvals and stakeholder views gleaned from audits and everyday contact with the affected industry.

Baseline

Present BCAR procedural requirements regime and the difficulties in showing equivalence between it and the EASA system.

Success criteria

The affected industry and the CAA Surveyors both agree that moving aircraft between the EASA and CAA systems has been facilitated by the changes. Industry say they have found the new approvals straightforward to obtain and that they are comprehensive enough for their purposes.

Monitoring information arrangements

The CAA has an extensive network of regional offices who maintain a close relationship with the affected industry. Regular audits and reviews of organsations requesting approvals ensures that the systematic collection of data suitable for continuous policy review is always available.

Annex 4: Specific Impact Tests

Statutory equality Duties

Race

1. The proposals relate to aircraft maintenance and continuing airworthiness organisations, therefore we don't anticipate that the proposed amendments will lead to different consequences according to people's racial group.

Disability

2. The proposals relate to aircraft maintenance and continuing airworthiness organisations, therefore it is not anticipated that the proposed amendments will lead to disadvantages or discrimination for disabled people.

Gender

3. The proposals relate to aircraft maintenance and continuing airworthiness organisations, therefore we don't anticipate that the proposed amendments will lead to different consequences according to people's gender.

Competition

4. The amendments will not have a negative effect on competition. They may have a positive impact on competition from an EU-wide perspective, as it will allow UK suppliers which might not have previously felt able to meet the European regulations, to see that they may readily do so, with very little change to their existing UK expositions.

Small firms

5. It has been decided to retain BCAR Chapter A8-15 – 'Aeroplanes and Rotorcraft not exceeding 2730 kg – Maintenance Organisations – Group M3', which is a part of the existing BCAR regulation regime, in order to retain some flexibility in approving very small organisations. These very small organisations, may not have the capability to achieve approval under the EASA regulations, and may not wish to maintain EASA aircraft. They may however, wish to maintain non-EASA aircraft, under the existing BCAR regime, and they may do so according to the requirements of Chapter A8-15.

Greenhouse gas assessment

6. The aviation sector has targets and policies to ensure it plays its part in helping to reduce greenhouse gas emissions. These proposals do not affect such policies or targets and are not expected to affect the amount of greenhouse gas producing activity in the industry. Therefore, we do not anticipate any direct impact of these proposals on greenhouse gas emissions.

Wider environmental issues

7. There are two environmental issues relevant to the aviation sector as a whole: noise pollution and air quality. The proposals do not directly influence the overall level of activity in the industry, so we do not anticipate any direct impact in these areas.

Social impacts

Health and well being

8. No part of the amendment is expected to have a direct impact on health. There is no potential for the amendment to directly affect wider determinants of health such as income or the environment, nor is there any potential for the amendment to affect relevant lifestyle related factors such as physical activity or diet. There is no anticipated impact on the demand for health and social care services.

Human rights

9. It is not anticipated that the proposed amendments will have any human rights impacts.

Justice System

10. It is not anticipated that the proposed amendments will have any implications for the justice system.

Rural proofing

11. We do not believe that the amendments will have a different impact on people in rural areas because of their particular circumstances or needs.

Sustainable development

12. The proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.

Title: Amendment Of The Air Navigation Order 2009 For The Radio Operators Certificate Of Competence **IA No:** DfT00136 **Lead department or agency:** CAA Safety Regulation Group **Other departments or agencies:**	**Impact Assessment (IA)** **Date:** 22/12/2011 **Stage:** Final **Source of intervention:** Domestic **Type of measure:** Secondary legislation **Contact for enquiries**: Stephen Wheeler 01293 573819 stephen.wheeler@caa.co.uk

Summary: Intervention and Options

RPC: GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANCB on 2009 prices)	**In scope of One-In, One-Out?**	**Measure qualifies as**
£N/A	£N/A	£N/A	Yes	Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

After a review of the Radio Operators Certificate of Competence (ROCC) scheme it became apparent that, currently, within the ANO, there is no legal requirement for those who operate aeronautical radio stations, within the UK or its territorial waters, for the purpose of providing an Air Ground Communications Service (AGCS), Offshore Communications Service (OCS) or a service to aircraft or parachutists within parachute drop zones, to hold an ROCC. This was at odds with the original intention of the scheme, which was to ensure that it was mandatory for those who operate aeronautical radios for the purposes outlined, to hold an ROCC and to undertake the examination processes designed to ensure their safe operation.

What are the policy objectives and the intended effects?

Policy objectives are to ensure:

1. All who operate aeronautical radio stations within the UK and territorial waters for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones, are appropriately qualified.
2. The safe and effective operation of aeronautical radio stations.
3. The safety of the aviation environment is maintained.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

1. Do Nothing - This would allow a loophole to remain within the safety regulatory system for the ROCC which would mean that aeronautical radio station operators could by-pass the need to be appropriately qualified to operate their radios, which could have a detrimental effect on this area of aviation safety.
2. Changing The Current ROCC Into A Voluntary Qualification - This option would provide no sanction for someone who chooses not to attain the qualification and by-passes the CAA's examination processes, This option is not considered robust enough to help ensure the safety of the aviation environment. Moreover, as this scheme is, in practice, the same as the Do Nothing Option, it has been disregarded.
3. The Preferred Policy - A legal requirement necessitating individuals who wish to operate aeronautical radio stations to be appropriately qualified. This would allow the CAA legal sanction of anyone who chose to by-pass the ROCC scheme and would help underpin safety in this area of aviation.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** Nil	**Non-traded:** Nil	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: Theresa Villiers Date: 22/6/2012

Summary: Analysis & Evidence

Policy Option 1

Description: Amendment Of The Air Navigation Order 2009 For The Radio Operators Certificate Of Competence

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	**High:** Optional	**Best Estimate: Zero**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	Zero		Zero	**Zero**

Description and scale of key monetised costs by 'main affected groups'

No costs. The ROCC scheme is already in place and is operated by the CAA. The review of the scheme identified a need to legally underpin a system that was already in force and assumed by all to be mandatory in nature. Therefore, as this is merely a legal underpinning of a scheme that already exisits, with no changes in the requirements associated with obtaining an ROCC or the administration of the established scheme, no costs are associated with this proposed amendment of the ANO.

Other key non-monetised costs by 'main affected groups'

No Costs, as explained above.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	Zero		Zero	**Zero**

Description and scale of key monetised benefits by 'main affected groups'

None

Other key non-monetised benefits by 'main affected groups'

A key benefit will be that the CAA's existing ROCC Scheme will be legally underpinned, allowing enforcement of the current requirement to be appropriately qualified to operate an aeronautical radio station. Such legal powers would help to avoid any potential, in future, for individuals to by-pass the ROCC system, maintaining confidence in the safety of this area of the aviation environment.

Key assumptions/sensitivities/risks **Discount rate (%)**

It is assumed that all those who wish to operate aeronautical radio stations in the UK and territorial waters for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones, will be required to be appropriately qualified and will be affected directly by this policy. The main risk is the safety risk associated with 'do nothing' or ' a voluntary policy' as individuals will be able to by-pass the safety assurance processes.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: Zero	**Benefits:** N/A	**Net:** N/A	Yes	Zero net cost

Evidence Base (for summary sheets)

The Problem To Be Addressed.

The Aeronautical Radio Operators Certificate of Competence (ROCC) is a scheme currently in force, run by the CAA and with processes incorporated within it to ensure the safe operation of aeronautical radio stations. After an internal review of the scheme it became apparent that there was no legal requirement, identified within the Air Navigation Order (ANO), to mandate those who operate aeronautical radio stations, for the purposes identified within this IA, to hold an ROCC. This was at odds with the assumed, by both the CAA and industry, mandatory nature of the scheme. If this situation remains unchanged individuals would legally be able to by-pass the scheme and operate aeronautical radio stations without reference to the CAA or its examination processes this could lead to the unsafe and non-standard operation of aeronautical radio stations with consequential effects on safety in this area of the aviation environment.

Options Considered.

1. Do Nothing - This option would allow a loophole to remain within the safety regulatory system for the ROCC which would mean that aeronautical radio station operators could by-pass the need to be appropriately qualified to operate their radios, potentially generating a detrimental effect on aviation safety.

2. Adapting The Current ROCC Scheme Into A Voluntary Qualification - This option would provide no sanction for someone who by-passes the CAA's examination processes, is not considered robust enough to help ensure the safety of the aviation environment and is not in accordance with the previous long standing understanding regarding the legal remit for this scheme. Additionally, in practice, a voluntary scheme would effectively be the same as the Do Nothing option and as a result this has been disregarded.

3. The Preferred Policy - The Legal Underpinning Of The Current ROCC Scheme. This would necessitate individuals who wish to operate aeronautical radio stations to be appropriately qualified and would allow the CAA legal sanction of those who would by-pass the scheme. Moreover, the incorporation of this ANO amendment would also help to ensure the safe and standard operation of aeronautical radio stations for the purposes outlined within this IA and consequently, will help to ensure safety within this area of the aviation environment.

Rationale for intervention.

The essential examination processes that have been designed and implemented to ensure the safe and effective operation of aeronautical radio stations for the purpose of providing an Air Ground Communication Service (AGCS), Offshore Communication Service (OCS) and for those who provide a service to aircraft or parachutists within parachute drop zones and which have a direct impact on the safety of the aviation environment, could be by-passed. Therefore, it is necessary to amend the ANO to ensure that those who operate these aeronautical radio stations are appropriately trained and qualified to operate them.

Policy Objective.

The policy objective is to ensure that all who wish to operate aeronautical radio stations within the UK and territorial waters for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones are appropriately qualified. The effect of this legislation will be to help ensure the safe and standard operation of aeronautical radio stations which will, consequently, help to underpin safety in this area of the aviation environment.

Costs and benefits of each option (including administrative burden).

Costs.

There are no additional costs for any of the options outlined with this amendment to the ANO. The ROCC scheme is already in force and is operated by the CAA. The review of the scheme identified a need to legally underpin a system that was already in place and assumed by all to be mandatory in nature. Therefore, as this is merely a legal underpinning of a scheme that already exists, with no changes in the requirements associated with obtaining an ROCC or the administration of the established scheme. Therefore, there are no costs to the CAA in the administration of this established scheme and consequently with this proposed amendment of the ANO.

Benefits.

Option 1- The status quo will allow an individual to operate an aeronautical radio station for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones without any need for a recognised operator's certificate or to have received any training. This could have a detrimental effect on safety for this part of the aviation environment. There are no safety benefits for this option.

Option 2 – Maintaining the present scheme, on a voluntary basis, would be formalising CAA acceptance of the current situation, and therefore is the same in effect as option 1. This could have a detrimental effect on safety for this part of the aviation environment, so there are no safety benefits for this option.

Option 3 - The benefit of legally underpinning the current ROCC scheme and consequently, mandating the requirement for all aeronautical radio station operators to hold an ROCC for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones, would be that the existing process where all individuals wishing to hold an ROCC go through the examination processes and assessment of their competency with CAA accredited examiners could be enforced. These examiners will ensure that applicants are at the required standard and that they operate the radio station safely. This would be in accordance with the previously held understanding of the ROCC scheme and therefore has no additional benefits compared to the current situation. However, such legal powers would help to avoid any potential, in future, for individuals to by-pass the ROCC system with its consequential effect on aviation safety, and therefore would help to ensure that safety is maintained within this area of the aviation environment

Summary/conclusion.

The preferred option is option 3: to amend the ANO. This would legally underpin the current ROCC system to ensure that those who operate aeronautical radio stations, for the purpose of providing an AGCS, OCS and for those who provide a service to aircraft or parachutists within parachute drop zones, are suitably qualified. CAA has promulgated ROCC requirements on the basis of a legal remit, which is still considered appropriate, so this would not have additional costs or benefits. However, there could be a detrimental effect on safety in this area of the aviation environment if there remains a loophole in the system that allows the CAA's ROCC scheme to be bypassed, by an individual, who could then operate an aeronautical radio station for the purposes outlined, without a qualification. Therefore, it is essential that the proposal to legally underpin the current ROCC system is adopted to help support aviation safety within this area.

One In, One Out (OIOO)

The proposal is in scope of the OIOO Rule, as it will affect any businesses that need to obtain a ROCC. However, because the system for obtaining an ROCC from the CAA is already well established and this proposal will simply enshrine in law a requirement that is already met by firms, this proposal will impose no additional costs and therefore is classed as a zero net cost.

Annexes.

Annex 1: Post Implémentation Review.

No formal PIR is proposed as there will be no change to the current ROCC Scheme associated with this amendment to the ANO. This change is being used to legally underpin a system that is already in operation but was incorrectly assumed to have a legal basis.

Annex 2: Assumptions underpinning the analysis.

PUBLIC CONSULTATION - SUMMARY

A public consultation was carried out on this proposal. The consultation is summarised as follows:

The need for an amendment to the ANO was identified early in 2011 and the proposed change was consulted upon via the CAA website. The consultation lasted for 3 months, beginning in July 2011. During the consultation period 32 relevant comments were received. There were mixed views regarding the initial consultation based on a misunderstanding regarding the scope of the ANO amendment. These have been clarified in the comments log that was released on the completion of the consultation with any agreed amendments being incorporated.

More detail on the comments received, responses given, and the consequential changes made to the proposal is given in the CAA document:

> *"Comment - Response Document. Response to the consultation on the proposal to amend the Air Navigation Order 2009* For The Radio Operators Certificate Of Competence"

The document is dated December 2011 and may be found on the CAA website at www.caa.co.uk/consultations

Annex 3: Specific Impact Tests.

Statutory equality duties.

Race

1. The proposal relates to all, therefore we do not anticipate that this amendment will lead to:

- Different consequences according to people's racial group;
- People being affected differently according to their racial group in terms of access to a service, or the ability to take advantage of proposed opportunities;
- Discrimination unlawfully, directly or indirectly, against people from some racial groups;
- Different expectations of the policy from some racial groups;
- Harmed relations between certain racial groups, for example because it is seen as favouring a particular group or denying opportunities to another; or
- Damaged relations between any particular racial group (or groups) and the DfT.

Disability

2. The Disability Discrimination Act (DDA) 1995 now gives rights to disabled people in the area of access to goods, facilities and services. The proposal applies equally to all, so we do not anticipate any disadvantages or discrimination for disabled people, in line with this Act.

Gender

3. The proposal will apply to all. Therefore, we do not anticipate that the reform will lead to:

- Different consequences according to people's gender;
- People being affected differently according to their gender in terms of access to a service, or the ability to take advantage of proposed opportunities;
- Discrimination unlawfully, directly or indirectly, against genders; or
- Different expectations of the policy from between genders.

Competition

4. The proposal will not have an adverse effect on competition because the system for obtaining an ROCC from the CAA is already well established and this proposal will simply enshrine in law a requirement that is already met by firms.

Small firms

5. The system for obtaining an Radio Operators Certificate of Competence from the CAA is already well established, therefore, enshrining in law the requirement to hold such a certificate will have no effect on small firms.

Greenhouse gas assessment

6. The aviation sector already has targets and policies in place to ensure it plays its part in helping to reduce greenhouse gas emissions and thus achieve the UK's climate change targets. This proposal does not affect such policies or targets, and more generally is not expected to affect the amount of greenhouse gas producing activity in the industry. We therefore do not anticipate any direct impact of this proposal on greenhouse gas emissions.

Wider environmental issues

7. There are two wider environmental issues relevant to the aviation sector as a whole: noise pollution and air quality. This proposal does not directly influence the overall level of activity in the industry; therefore, we do not anticipate any direct impact in these areas.

Social impacts

Health and well-being

8. This proposal is not expected to have a direct impact on health. There is no potential for the proposal to directly affect wider determinants of health such as income or the environment, nor is there any potential for the proposal to affect relevant lifestyle related factors such as physical activity or diet. There is no anticipated impact on the demand for health and social care services.

Human rights

9. It is not anticipated that the proposal will have any human rights impact.

Justice system

10. It is anticipated that the proposal will have only very minor implications for the justice system. This is because the scheme is already assumed to be mandatory in nature, only 800 ROCC's are issued every year and the CAA is aware of very few cases in the recent past in which an aeronautical radio station has been used without the relevant qualification being already held.

Rural proofing

11. We do not believe that the proposal will have a different impact on people in rural areas because of their particular circumstances or needs.

Sustainable development

12. Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. The proposal does not affect the resources available to future generations, and are therefore compatible with sustainable development.

Annex 4: The proposed amendment to the Air Navigation Order

The table below sets out the proposed amendments to the Air Navigation Order.

Item	ANO Ref.	Proposed Amendment
1	**Insert after part 25**	**Certificate of competence to operate aeronautical radio station**
	204A.—	**Prohibition of unauthorised operation of an aeronautical radio station** (1) Subject to paragraphs (3) and (4), a person must not operate an aeronautical radio station for a purpose specified in paragraph (5), or hold themselves out, whether by use of a radio call sign or in any other way, as a person who may do so unless— (a) they hold and comply with the terms of an aeronautical radio station operator certificate of competence granted under article Y authorising the holder to provide such a service at that aerodrome; and (b) they have identified themselves in such a manner as may be notified. (2) In this article 'operate an aeronautical radio station means activating or altering any of the external controls of any of the apparatus comprised in the station or transmitting or receiving messages. (3) Nothing in this article prevents a person operating an aeronautical radio station for the purpose of avoiding immediate danger. (4) This article does not apply to the holder of an air traffic controller licence or a flight information service officer's licence. (5) The purposes specified for the purpose of paragraph (1) are to provide— (a) an air/ground communications service; (b) a service to give information to pilots of aircraft flying to or from offshore oil, gas installations and vessels and for other aircraft operating in the vicinity of these aircraft; or (c) a service to give information to pilots of aircraft flying for the purpose of the dropping of persons by parachute and to persons who have been dropped by

		parachute.
	204B.	**Aeronautical radio station operator certificate of competence** (1) The CAA must grant an aeronautical radio station certificate of competence if it is satisfied that the applicant— (a) (a) is at least 18 years of age; and (b) is qualified by having the knowledge, experience and skill to act in the capacity to which the certificate of competence relates. (2) The applicant must supply such evidence and undergo such examinations and tests and undertake such courses of training as the CAA may require. (3) The aeronautical radio station certificate of competence may be issued subject to such conditions as the CAA thinks fit. (4) An aeronautical radio station certificate of competence— (a) remains in force, subject to article 228, for the period indicated in the certificate or if no period is indicated, for the lifetime of the holder; (b) may be renewed by the CAA from time to time, if it is satisfied that the applicant is qualified in accordance with paragraph (1). (5) An aeronautical radio station operator certificate of competence is not valid for use at an aerodrome unless it has been endorsed by the person in charge of the aeronautical radio station. (6) The person in charge of the aeronautical radio station must not endorse an aeronautical radio station certificate of competence as required by paragraph (5) unless that person is satisfied that the holder is familiar with the terms and conditions of the Wireless Telegraphy Act Licence for the aeronautical radio station and has been informed of any relevant operational information concerning the types of equipment and operating procedures for the station. (7) Every holder of an aeronautical radio station operator certificate of competence must, on such occasions as the CAA may require, submit to such examinations and tests and supply such evidence of the holder's knowledge, experience, competence and skill and undergo such courses of training as the CAA may require. (8) Nothing in this Order obliges the CAA to accept an application for the issue, variation or renewal of an aeronautical radio station operator certificate of competence if the application is not supported by such reports from such persons approved under article 244 as the CAA may specify, either generally or in a particular case or class of cases.
	204C.	**Approval of courses, persons, examinations and simulators** (1) Without prejudice to any other provision of this Order the CAA may, for the purposes of this Part, approve— (a) any course of training or instruction; (b) any unit training plan or unit competence scheme; (c) a person to conduct such examinations, assessments or tests as it may specify; (d) any examinations, assessments or tests, together with associated arrangements; and (e) any simulation hardware and software for the training, instruction, examination, assessment or tests."

Title: Amendment of the Air Navigation Order 2009 to address the effects of European legislation on pilot licensing	Impact Assessment (IA)
IA No: DfT00132	**Date:** 11/11/2011
	Stage: Final
Lead department or agency:	**Source of intervention:** EU
Civil Aviation Authority	**Type of measure:** Secondary legislation
Other departments or agencies:	**Contact for enquiries**: Head of Licensing & Training Policy, CAA e-mail cliff.whittaker@caa.co.uk

Summary: Intervention and Options

RPC: GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANCB on 2009 prices)	**In scope of One-In, One-Out?**	**Measure qualifies as**
£-0.5m	£N/Am	£N/Am	No	NA

What is the problem under consideration? Why is government intervention necessary?

On 8th April 2012 new, directly applicable, EU legislation for pilot licensing will come into effect. In order to support a proper and least burdensome implementation in the UK, the Air Navigation Order 2009 must be amended. The changes required will:

i) authorise the CAA to administer the new safety legislation; and ii) ensure that UK citizens and UK businesses are able to continue to undertake present activities lawfully.

If the amendment is not made to the Air Navigation Order the CAA will be unable to continue to facilitate the flying activities of the approximately 50,000 active UK professional and private pilots.

What are the policy objectives and the intended effects?

- To allow airline operations, business aviation and private flying to continue in the UK by enabling the CAA to license pilots in accordance with the directly applicable EU legislation.
- To modify the UK national provisions for pilot licensing so that activities that will be excluded from European licences by the new EU legislation may be facilitated using national legislation to issue appropriate national pilot licences.
- To remove contradictions with directly applicable EU legislation that might mislead pilots into flying illegally.
- To preserve as far as practicable the freedoms currently enjoyed by pilots in the UK.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The option presented is to amend the Air Navigation Order to be consistent with European legislation and to facilitate its implementation with least adverse impact; alternative partial measures could be inequitable or unfair to some licence holders. Compliance with the directly applicable EU legislation is mandatory whatever we choose to do. It is essential to amend the Air Navigation Order to designate the CAA as the UK Competent Authority for Flight Crew Licensing (as it already is for Airworthiness Regulations), so that the CAA will be able to license pilots under the new EU legislation from 8th April 2012 and so that the 200 organisations that provide training for professional pilots, and the 400 schools that train private pilots will be able to continue in business. Amendment is also needed: (i) to allow the EU licences to be used as national licences and so avoid every pilot having to hold both a European and a national licence; and (ii) to allow new national licences to be issued to the pilots of aircraft that cannot be included in EU licences.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** Nil	**Non-traded:** Nil	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible SELECT SIGNATORY: Theresa Villiers Date: 28/6/2012

Summary: Analysis & Evidence

Policy Option 1

Description: Amend the Air Navigation Order 2009 as proposed

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	**High:** Optional	**Best Estimate:** -0.5

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	0.5		0	**0.5**

Description and scale of key monetised costs by 'main affected groups'

£0.5m is the cost of implementing within the Civil Aviation Authority (CAA) the changes to pilot licensing that arise from the new European Regulations through legislation that is directly applicable in the UK. It should be noted that these costs to be incurred are part of the wider package of changes that are required as a result of implementing the European regulations, so only a small proportion of these costs are related directly to the amendment of the Air Navigation Order.

Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	0		0	**0**

Description and scale of key monetised benefits by 'main affected groups'

The transition costs of £0.5m above are the estimated costs of changing the procedures and infrastructure within the CAA, and will be met from the CAA budget

Other key non-monetised benefits by 'main affected groups'

Amending the Air Navigation Order would: (i) permit the CAA to administer European licences, allowing pilots to continue to fly and UK training schools to continue in business; (ii) enable national licences to be issued for aircraft that cannot be included within EASA licences; (iii) make all national licences non-expiring; and (iv) make clear where the national rules have been replaced by EU legislation and so avoid misleading pilots regarding the legality of their actions.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5%

It is assumed that EU legislation for pilot licensing will come into force with effect from 8th April 2012 as is specified in European Parliament Regulation 216/2008.

Legislative changes made in the UK cannot change the direct effects of the EU legislation, but the proposed changes to the Air Navigation Order would negate as far as is practicable the consequential adverse effects on the licensing of pilots who wish to fly nationally regulated aircraft.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: N/A	**Benefits:** N/A	**Net:** N/A	No	NA

Evidence Base (for summary sheets)

Main Evidence Base

Executive Summary

The powers to determine the European regulations for pilot licensing were passed from the Member States to the EU in 2008 by the enactment of EU Regulation 216/2008 by the European Parliament and the Council of the European Union. The European Commission, assisted by the European Aviation Safety Agency (EASA) has developed the new pilot licensing rules for Europe in accordance with the laid down procedures (that included open public consultation). These licensing rules are now also passing into law as a regulation of the European Parliament and the Council and will be directly applicable in all Member States with effect from 8th April 2012.

It is important to be clear that the proposal to amend the Air Navigation Order that is the subject of this Impact Assessment is not the UK legislation that will implement these new European regulations - no such legislation is required. The new EU regulations are directly applicable and will come into force in the UK regardless of any national legislation. The European regulation will override and supplant the Air Navigation Order in respect of the licensing of a greater proportion of the 50,000 current holders of a pilot's licence issued by the Civil Aviation Authority (CAA). However, for the business of the training and licensing of pilots to continue in the UK next year and into the future, the CAA must be identified in UK legislation as the "Competent Authority" for the administration of the new European licensing rules; and this requires amendment of Article 246 of the Air Navigation Order.

Some aircraft and their pilots will be excluded from the scope of the new European rules. Currently, many of these pilots are using licences that have been issued under a set of rules that were commonly agreed between European States a decade ago. These rules are known as the Joint Aviation Requirements for Flight Crew Licensing (JAR-FCL). One of the effects of the new European regulation will be to abolish the JAR-FCL scheme. It follows that if pilots who have JAR-FCL licences, but are excluded from the new rules, are to continue to fly, then provision must be made for them to be granted national licences under the Air Navigation Order.

Another particular concern is that, if not amended, the Air Navigation Order will continue to say that pilots may fly legally with their current licences, when in fact European law (which has supremacy in this respect) will specify that they may only fly if they hold a licence issued in accordance with the European rules. Thus, unless the Air Navigation Order is amended as proposed, pilots may be misled into flying illegally.

Clearly, there will be costs incurred in switching to a new set of rules and the benefits of doing so are hard to quantify. But there is no option but to comply with the European Regulation and, as will be outlined below, failing to amend the Air Navigation Order to be consistent with the European rules would risk significant disruption and financial loss to UK businesses and licence holders.

The problem to be addressed

Directly applicable European (EU) legislation is going to change the pilot licensing rules in Europe, including the UK, with effect from 8th April 2012. The legislation will affect the privileges of many existing licence holders and will specify how new licences may be obtained. The European Implementing Rules that are being enacted will be directly applicable, binding in UK law and will replace and override the equivalent national aviation legislation in the Air Navigation Order 2009 ("the Order") for the pilots of aircraft to which EU legislation applies.

European Regulation 216/2008 requires that each EU Member State has a Competent Authority to administer the Implementing Rules. In the UK the CAA has been the Competent Authority for the rules relating to airworthiness since 2003. In order that licences may be issued in the UK in accordance with European rules from 8th April 2012, Article 246 of the Order must be amended to designate the CAA to be the Competent Authority for pilot licensing.

Currently, the Air Navigation Order gives the legal provisions for the licensing of UK pilots for all categories of aircraft. When the European regulations come into force they will supplant the Air Navigation Order for most activities that require a pilot's licence, but the Order will still have to provide for some aspects of pilot licensing.

It is emphasised that the majority of the regulatory changes for pilot licensing and the associated impacts on UK citizens and businesses are being imposed by the directly applicable European legislation. The purpose of the proposed amendment to the Air Navigation Order is to mitigate the unintended and unnecessary adverse consequential effects that the European legislation will otherwise have on UK citizens and on UK businesses engaged in flying training and flying operations, including UK airlines.

The proposed amendment to the Order was the subject of a public consultation in the summer of 2011. The results of that consultation are available on the CAA website and are summarised at Annex 2 to this Impact Assessment. In addition, the CAA has regular meetings with representatives of UK pilots' associations and bodies representing the pilot training industry. These proposals have been presented and discussed at these meetings and there have been no objections to them.

Options considered

Only one option for the amendment of the Air Navigation Order 2009 is presented. The proposal is to amend the Order to be consistent with European legislation and to facilitate its implementation with least adverse impact. In theory, other options could have been included that would have proposed making only some of the changes, but to do that would have meant proposing measures that would provide the best achievable outcomes for only some categories of pilots and training schools, rather than proposing, (as far as the European legislation permits) the most appropriate national regulations for all of the UK-licensed flying community. Clearly, such alternatives would be likely to lead to complaints of unfair and inequitable treatment by those pilots and training schools adversely affected by the omission of some measures that could be taken. The only other alternative would be to do nothing, and the potential penalties of that option are discussed below.

If Article 246 of the Order is not amended the CAA will not be empowered to issue pilot licences under EU legislation. This would have severe consequences for UK pilots, UK airlines and the UK pilot training industry. CAA data records show that there are approximately 50,000 pilots who are currently active with UK licences and approximately 500 active UK flying schools. Not amending the Order in the other ways proposed would unnecessarily restrict the privileges of

pilots and flying schools and increase the regulatory and administrative burden. There is no means to stop the implementation of the EU regulations.

The amendment proposed will achieve the following objectives.

Changes the Articles of the Order:

- To make clear that the national provisions that have been replaced by EU legislation no longer apply to EASA aircraft, but to nationally regulated aircraft only, and so avoid misleading pilots into undertaking flights that would be illegal.

- To make European licences for particular classes of aircraft valid for UK nationally regulated aircraft of the same class; thereby avoiding the need for most UK pilots to hold both a European and a national licence.

- To introduce UK licences that are equivalent to European licences that can be issued to allow pilots to fly nationally regulated aircraft that are not within the same classes as the aircraft included in European licences.

- To make clear what the provisions are for licences issued outside the EU to be used to fly UK nationally-regulated aircraft, consistent with the changes made by EU regulations.

- To make consequential changes to define which ratings (privileges) may be added to which licences.

- To make consequential changes to make clear which class of medical certificate applies in each case.

- To add the national provisions necessary to allow UK pilots and cabin crew to make use of the options within the EU regulations to have certain medical certificates issued by GPs, military doctors and Occupational Health Medical Practitioners as applicable, in addition to the standard route of having the certificate issued by an Authorised Medical Examiner.

- To make the Civil Aviation Authority the Competent Authority for licensing in the UK.

- To add, remove or amend definitions as necessary.

In Schedule 7 of the Order:

- To amend Part A to specify the privileges of the re-introduced and new national licences, and to remove those of licences that will no longer exist.

- To add a third section to Part B to specify the ratings for the National Private Pilots Licence (Helicopters).

- To revise Part C to ensure that the renewal and revalidation requirements are correctly specified.

In Schedule 13 of the Order:

- To amend Part A to make provisions for pilot training organisations that are equivalent to those for engineer training organisations, and changes consequential to the re-numbering of Articles.

Costs and Benefits

The purpose of the proposal to amend the Air Navigation Order is to minimize the costs and restrictions that will result from the implementation of directly applicable EU legislation. The amendments proposed will also make provision for the CAA to issue national licences that will allow UK citizens to continue to fly aircraft that are not within the privileges of any European licence, and so also permit training schools to sell training courses leading to those licences. If the Air Navigation Order is not amended these benefits will not be realised, and there will be consequential costs.

CAA data records show that there are approximately 50,000 holders of CAA-issued pilot licences who are currently active and approximately 500 active UK flying training organisations. All of these pilots and organisations will be affected by the EU regulations and the Air Navigation Order to varying degrees.

1. Benefits

1.1 Pilots can continue to obtain licences.

If the Air Navigation Order is not amended the CAA will not be empowered to issue the pilot licences that will be required by law for a pilot to fly an aircraft that is subject to EU regulations; (the majority of the aircraft in Europe). It follows that in such a circumstance, UK-based flying training organisations would no longer be able to sell their courses to train prospective pilots to obtain those licences.

To train and qualify for a Private Pilot's Licence for aeroplanes a prospective pilot would have to pay a flying training school approximately £7,000. The CAA typically issues 2,000 new licences of this kind each year, and so it is estimated that flying training for aeroplane private pilot licences in the UK represents approximately £14m of business per annum for UK companies; many of which are small businesses. The same calculation has been performed for all of the aeroplane and helicopter licences (private and commercial) issued by the CAA, as follows:

Kind of Licence	Typical cost of training	Number of licences issued per annum	Total expenditure on training per annum
Private Pilots Licence (Aeroplanes)	£7,000	2,000	£14,000,000
Commercial Pilots Licence (Aeroplanes)	£40,000	1,300	£52,000,000
Air Transport Pilots Licence (Aeroplanes)	£85,000	1,000	£85,000,000
Private Pilots Licence (Helicopters)	£20,000	250	£5,000,000
Commercial Pilots Licence (Helicopters)	£85,000	200	£17,000,000
Air Transport Pilots Licence (Helicopters) (after obtaining CPL(H))	£30,000	75	£2,250,000
Total for training for licences only (no additional ratings)			£175 million

£175m per annum is an estimate of the amount of money spent with UK companies by pilots to obtain their licences with initial privileges; it does not include further training to expand their privileges.

Any inability of the CAA to replace the licences of existing pilots with licences that are valid for operations when the EU regulations are fully implemented would prevent those individuals from continuing to fly, with consequential effects on their continued employment and the availability of pilots for airline operations. Clearly, the impact of this would be significant, but cannot be quantified from data held by the CAA.

1.2 Expenditure on further training to expand the privileges of licences.

After obtaining their initial licences, pilots will often need to undergo further training to expand the privileges of those licences. For example, when airlines change their fleets to include new or different types of aircraft, the pilots must receive training on those aircraft and qualify for the relevant Type Ratings, which will then be added to their licences. Training schools typically charge £20,000 to £30,000 per pilot per aircraft type for such courses for airliners. It has not been possible to monetise this activity, but clearly, if the CAA was unable to issue such ratings (because the Order had not been amended) this would have a severe impact on training schools and pilots and upon airline operations.

1.3 Increased competition.

The proposals to add national licences will potentially enhance competition by allowing UK training schools to offer pilot training for aircraft that are outside the scope of the EU regulations. It has not been possible to monetise this as it depends on whether individual pilots decide to train for those licences. Failure to amend the Air Navigation Order would restrict the range of services that may be offered by UK flying training schools and that might result in pilots taking courses overseas instead, with consequent losses to UK businesses.

1.4 Making licences non-expiring.

Due to decisions made at various times over the past 30 years the licences currently specified in the Air Navigation Order have various calendar lives, from 5 years to non-expiring. JAA licences issued by European States (including the UK) in the past decade all have a calendar life of 5 years. UK pilots with expiring licences have to pay fees to the CAA to have them replaced; the fee depends upon the category of licence. (e.g. The fee is £265 every 10 years for the renewal of a commercial balloon pilot's licence). The new European Part-FCL licences to be brought into being by the new European legislation in 2012 will all be non-expiring licences. By means of this proposed amendment the opportunity is being taken to make all UK national licences non-expiring as well, thereby reducing the complexity of the administration of licences and the fees to be paid by some licence holders.

1.5 Making clear the privileges of national licences.

The Air Navigation Order 2009 sets out the privileges of pilot licences issued by the CAA, including the classes or types of aircraft that may be flown and whether for private or commercial purposes. The new European regulations are overriding and directly applicable. They will specify that for many aircraft a European Part-FCL is required and that licences issued under national legislation are no longer valid for those aircraft. The

proposed amendment to the Air Navigation Order 2009 will change the wording to make this clear. If the amendment is not made the Air Navigation Order may mislead pilots regarding the legality of their actions.

2. Costs

The costs of implementing the changes to pilot licensing in the UK arise from the new European Regulations through legislation that is directly applicable in the UK, not from the proposed amendment of the Air Navigation Order. It has not been possible to monetise all of these costs but the implementation of the mandatory changes within the CAA will require modification of the CAA's IT systems, new application forms, certificates etc. This is a major project with a cost internally to the CAA of up to £0.5m. Most of the changes will be to facilitate European rules, but the necessary national aspects will be added at the same time. i.e. Re-programming the IT is a major task, but adding a few additional kinds of national licence whilst making the changes for the European licences does not add significant time/cost.

3. "One In One Out"

The new licensing rules are being enacted through directly applicable European legislation and are therefore outside the scope of the UK "one in one out" policy. The amendments proposed for the Air Navigation Order are intended to remove national regulations where European regulations will apply and also, as far as EU legislation allows, to preserve the existing freedoms and privileges of UK pilots flying aircraft that are outside the scope of EU regulations.

Summary

The amendment of the Air Navigation Order 2009 as proposed is necessary:

- to allow airline operations, business aviation and private flying to continue in the UK by enabling the CAA to license pilots in accordance with the directly applicable EU legislation;
- to modify the UK national provisions for pilot licensing so that activities that will be excluded from European licences by the new EU legislation may be facilitated using national legislation to issue appropriate national pilot licences; and
- to remove contradictions with directly applicable EU legislation that might mislead pilots into flying illegally.

The intended effects are to maintain UK pilots' privileges to fly internationally by complying with EU legislation, and to preserve as far as is practicable the freedoms currently enjoyed by pilots in the UK.

Further Information on the licensing rules

1. The scope of the EU regulations - EASA and Non-EASA aircraft

1.1 The European Aviation Safety Agency (EASA) came into being in September 2003 to administer the new European aviation regulations and rules, and in some circumstances to apply the regulations directly. EU legislation applies to most of the aircraft in Europe (and in some respects to those operating in or into Europe that are registered elsewhere). The regulations apply to the aircraft, their pilots, operators, and those who design, manufacture and maintain them. There are specific exceptions set out in the legislation and aircraft excluded from EASA's remit remain under national regulations.

1.2 When the EU regulations for flight crew licensing come into force there will be dates after which licences issued under national rules will no longer be valid for flying aircraft that are within the scope of the EU regulations - "EASA aircraft". Any pilot who intends to fly an "EASA aircraft" registered in the EU after the applicable dates will have to hold an appropriate EASA licence.

1.3 Under EU legislation all aircraft are "EASA aircraft" unless:

(i) they are aircraft that are *"carrying out military, customs, police, search and rescue, firefighting, coastguard or similar activities or services"* (i.e. "State Aircraft"); or
(ii) they are within the categories set out in Annex II to European Regulation 216/2008 - ("Annex II aircraft").

The main categories set out in Annex II to European Regulation 216/2008 are:

- microlight aeroplanes;
- light gyroplanes;
- amateur built aircraft;
- ex-military aircraft;
- foot-launched aircraft;
- "vintage" aircraft that meet specific criteria for date of design and manufacture; and
- aircraft built or modified for scientific or novel purposes.

1.4 The following example illustrates the primary effect that the forthcoming EU legislation will have on pilots with UK licences that were issued before JAR-FCL was adopted (2001):

> The Tigermoth, Luscombe 8, Piper J3 Cub, and Rutan Varieze are examples of aircraft that are within the categories of Annex II to Regulation 216/2008 and so are non-EASA aircraft. The Cessna 172 and the Piper PA28 are EASA aircraft. When compliance with the EU rules for licensing becomes mandatory the holder of a Single Engine Piston (SEP) class rating on a UK Private Pilots Licence (Aeroplane) that was issued under national rules (before the introduction of JAR-FCL) will still be able to fly a Tigermoth, a Piper J3 Cub or other non-EASA SEP aeroplane, but that licence <u>will not be valid</u> for the PA28, Cessna 172, or any other "EASA aircraft".

To fly an EASA aircraft an EASA licence will be required; any holder of a national licence who intends to fly EASA aircraft when the new rules are in force must have obtained an EASA licence (based on credit for the national licence). It is important to understand that the EU legislation is directly applicable and overrides any existing national legislation. This means that UK licences will not be valid for EASA aircraft regardless of the wording of the licence or of UK legislation such as the Air Navigation Order (ANO).

1.5 The CAA is proposing the amendment of the Air Navigation Order so that EASA licences with the appropriate class ratings will be valid for non-EASA aircraft within those classes;

thereby avoiding the need for the holder of an EASA Private Pilots Licence with Single Engine Piston rating to also hold a national licence in order to fly an amateur-built aeroplane or a Tigermoth, for example.

2. The EASA Licensing System.

2.1 Part-FCL (the proposed European rules for Flight Crew Licensing) will make provision for the granting of licences, ratings and authorisations that are equivalent to those currently issued under national legislation in accordance with JAR-FCL requirements. The new rules will be similar to, but not the same as, JAR-FCL. Part-FCL will also make provision for pilot licences for sailplanes, balloons, airships and powered-lift aircraft.

2.2 Part-FCL will provide for a new Light Aircraft Pilot Licence (LAPL), which will not be compliant with ICAO Annex 1. This will be similar in concept to the current UK NPPL(A). However, the LAPL will be valid for flight throughout Europe using any aircraft registered in the EU that falls within the privileges of the licence. The LAPL is not limited to aeroplanes. It will be possible to obtain LAPLs for aeroplanes, helicopters, balloons and sailplanes.

2.3 All Part-FCL licences, including LAPLs will be non-expiring “lifetime” licences. The use of licence privileges will be dependent upon the validity of the ratings included in the licence and the validity of the associated medical certificate.

2.4 For UK national licences the Air Navigation Order and requirements notified by the CAA will continue to apply.

3. Consequential changes to the UK Licensing System.

3.1 There are significant differences between the coming transition to EASA rules and the previous transition to JAR-FCL that took place a decade ago. Foremost amongst these are:

(i) that the transition is compulsory for most licence holders because licences issued under national rules will not be valid for EASA aircraft into the future, and
(ii) that national ratings cannot be included in EASA licences.

It is proposed that the privileges of licences as set out in the Air Navigation Order (ANO) be amended to reflect (i) above. This will be to improve clarity as, in this context, EU law takes precedence over national legislation. If it is not amended the Air Navigation Order will imply that existing licences remain valid for EASA aircraft and so may mislead pilots into flying illegally (without a valid EASA licence). Item (ii) above will necessitate changes to the national licensing system.

3.2 Consider the case of the holder of valid type ratings for the Robinson R22 and Westland Scout helicopters. Currently, both of these ratings may appear on a JAR licence or a pre-JAR UK licence. The R22 is an EASA aircraft. The Scout is an ex-military helicopter as set out in Annex II to the Basic EASA Regulation; as such it is a non-EASA aircraft and so cannot be included in an EASA licence. A pilot qualified to fly both types will therefore require an EASA licence for the R22 and a UK licence issued under the ANO for the Scout. A similar situation arises for any pilot who is or becomes qualified to hold a type rating for a non-EASA aircraft, or any other national rating for which there is no EASA equivalent.

(Note that this problem will not arise with aeroplane class ratings, such as the SEP rating, which appear in both national and EU rules if the Air Navigation Order is amended as proposed. This is because one effect of the proposed amendment will be to make EASA licences with SEP ratings valid for UK-registered non-EASA single engine piston aeroplanes; no national licence would be needed in addition to an EASA licence in such a case).

3.3 When JAR-FCL was implemented in the UK the ANO was changed so that new UK licences that were equivalent to JAR licences could no longer be issued. It is now intended to amend the ANO so that UK equivalents to EASA licences can be issued where necessary to allow EASA licence holders to hold non-EASA UK national ratings. This will mean reintroducing the UK Air Transport Pilot Licence, Commercial Pilot Licence and Private Pilot Licence for both aeroplanes and helicopters. In addition, it is proposed to have an National Private Pilot Licence (Helicopters) as an equivalent to the European Light Aircraft Pilot Licence (Helicopters) - LAPL(H) - so that if the holder of a LAPL(H) qualifies for a type rating for a non-EASA helicopter (that is within the limits of the LAPL(H) - mass, occupancy, etc) the rating can be issued and the privileges exercised using a UK licence that will be valid for the holder of a LAPL Medical Certificate.

3.4 It is intended that, as part of the ANO amendment, all UK licences will become non-expiring “lifetime” licences; this will be to align with European licences and to reduce the administration required and the associated costs. The use of the licence privileges will remain dependent upon the validity of the ratings included in the licence and the validity of the associated medical certificate.

3.5 In the proposed amendment to the ANO the opportunity is taken to allow all expiring qualifications included in UK licences to be valid until the end of the calendar month (giving pilots up to 30 days of additional validity of their qualifications) and also to reduce the minimum age for solo flight in gliders and balloons to 14 years. These changes will align UK rules with the EU regulations, thereby simplifying the administration of licences and compliance with the rules by pilots.

4. Conversion of existing UK licences

4.1 Under the EU legislation, all licences that are fully compliant with JAR-FCL will automatically become EASA licences on 8th April 2012, but will need to be physically replaced on or before their calendar expiry date. All licences that are not fully compliant with JAR-FCL are national licences.

4.2 Annex II to the proposed European regulation for flight crew licensing provides criteria for commonly used national licences to be converted to EASA licences. Where a national licence does not appear in Annex II to the EU regulation (e.g. balloon licences are not present) the regulation allows the alternative of the Competent Authority (the CAA in the UK) compiling a Conversion Report. This Conversion Report must compare the national rules (that were the basis upon which the national licences were issued) with the Part-FCL requirements and so propose the additional requirements (if any) to be complied with before an EASA licence may be issued. The Conversion Reports are to be agreed with EASA.

4.3 In the UK we have a variety of legacy licences that were issued on the basis of UK-specific standards. It is proposed to amend the ANO to deem each kind of legacy licence to be the appropriate current UK national licence. This will reduce the number of different kinds of licence and so simplify the conversion of these licences to European equivalents.

Annexes

Annex 1: Post Implementation Review

No formal PIR is proposed as the administration of the measures by the CAA naturally involves daily contact with the regulated community on these issues; (approximately 100 licensing transactions and numerous enquiries/questions every working day). The feedback thus obtained will ensure that the Regulator is fully aware of the effectiveness of the approach on an on-going basis.

Annex 2: Assumptions underpinning the analysis

PUBLIC CONSULTATION - SUMMARY

A public consultation was carried out on these proposals. The comments received, responses given, and the consequential changes made to the proposal are detailed in the CAA document:

> *"Comment - Response Document. Response to the consultation on the proposal to amend the Air Navigation Order 2009 to address the effects of the European regulations for flight crew licensing".*

The document is dated September 2011 and may be found on the CAA website at www.caa.co.uk/consultations

The consultation is summarised as follows:

The necessary amendments to be made to the ANO were identified earlier in 2011 and the proposed changes were consulted upon via the CAA website. The consultation was for 3 months, beginning in June 2011. During the consultation period 28 relevant comments were received. There were no objections to the amendment. The comments were related to: the addition of further changes; identification of errors in the amendment (or the existing ANO); and questions of clarification.

All of the comments are presented in the Comment-Response document, together with the response to each. All agreed changes have been embodied into the proposed amendment.

Annex 3: Specific Impact Tests

Statutory equality duties

Race

1. The proposals relate to all pilots of all races; therefore we do not anticipate that the proposed amendments will lead to:
    - Different consequences according to people's racial group;
    - People being affected differently according to their racial group in terms of access to a service, or the ability to take advantage of proposed opportunities;
    - Discrimination unlawfully, directly or indirectly, against people from some racial groups;
    - Different expectations of the policy from some racial groups;
    - Harmed relations between certain racial groups, for example because it is seen as favouring a particular group or denying opportunities to another; or
    - Damaged relations between any particular racial group (or groups) and the DfT.

Disability

2. The Disability Discrimination Act (DDA) 1995 now gives rights to disabled people in the area of access to goods, facilities and services. The proposals apply equally to all pilots, and so we do not anticipate any disadvantages or discrimination for disabled people, in line with this Act.

Gender

3. The proposals will apply to all pilots. Therefore, we do not anticipate that these proposed amendments will lead to:
    - Different consequences according to people's gender;
    - People being affected differently according to their gender in terms of access to a service, or the ability to take advantage of proposed opportunities;
    - Discrimination unlawfully, directly or indirectly, against genders; or
    - Different expectations of the policy from between genders.

Competition

4. The amendments will not have a negative effect on competition. The proposed provisions to allow the issue of national licences may allow training organisations to offer courses and other services in addition to those provided for under EU legislation, potentially allowing greater competition.

Small firms

5. Many training organisations and operators are small firms who will be affected by the EU legislation. The proposed amendments to the Air Navigation Order will provide the greatest practicable level of flexibility to enable the CAA to cater for the needs of the industry.

Greenhouse gas assessment

6. The aviation sector already has targets and policies in place to ensure it plays its part in helping to reduce greenhouse gas emissions and thus achieve the UK's climate change targets. These proposals do not affect such policies or targets, and more generally are not expected to affect the amount of greenhouse gas producing activity in the industry. We therefore do not anticipate any impact of these proposals on greenhouse gas emissions.

Wider environmental issues

7. There are two wider environmental issues relevant to the aviation sector as a whole: noise pollution and air quality. None of the proposals directly influences the overall level of activity in the industry, however, and so we do not anticipate any impact in these areas.

Social impacts

Health and well-being

8. None of the proposals are expected to have a direct impact on health. There is no potential for any of the proposals directly to affect wider determinants of health such as income or the environment, nor is there any potential for the proposals to affect relevant lifestyle related factors such as physical activity or diet. There is no anticipated impact on the demand for health and social care services.

Human rights

9. It is not anticipated that our proposals will have any human rights impacts.

Justice system

10. It is not anticipated that our proposals will have any implications for the justice system.

Rural proofing

11. We do not believe that any of the proposals will have a different impact on people in rural areas because of their particular circumstances or needs.

Sustainable development

12. Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. The proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.
