

<b>Title:</b> <b>The Air Navigation Order (ANO) 2009: amendment to reflect implementation of the European Commission Regulation for Aerodromes</b>  IA No: DfT00285  <b>Lead department or agency:</b> UK Civil Aviation Authority (CAA) <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 28/04/2014		
	<b>Stage:</b> Final		
	<b>Source of intervention:</b> EU		
	<b>Type of measure:</b> Secondary legislation		
<b>Contact for enquiries:</b> Graeme Ritchie <b>Email:</b> graeme.ritchie@caa.co.uk or aerodromes@caa.co.uk			

<b>Summary: Intervention and Options</b>	<b>RPC Opinion: Green</b>
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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, Measure qualifies as Two-Out?
-£0.57m	-£0.57m	£0.05m	No   NA

**What is the problem under consideration? Why is government intervention necessary?**  
 The problem is the need to ensure that aviation is as safe as reasonably possible across the EU, so that UK citizens can trust that they are safe when flying on any airline in the EU. It is not reasonable to expect the general public to assess complex aviation risks outside their control, so aviation should be overseen by an organisation on behalf of the public. Only the government has the necessary authority to interact fully with the national and international bodies which regulate and oversee aviation safety, and only the government can legislate to fulfil the UK's international obligations.

**What are the policy objectives and the intended effects?** The first objective is to ensure a high and uniform level of protection of European citizens, through the adoption of common safety rules. The second objective is to reconcile the existing UK legislation with the new European legislation so that the UK achieves compliance, in order that UK businesses and UK and European citizens are able to continue to undertake present activities lawfully. The intended effect of the policy is to have aviation legislation that can be complied with, is enforceable, is clear in terms of which legislation applies to which legal entities, and which provides for a harmonised implementation of the rules.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base).** The European Commission Regulation for Aerodromes was published in January 2014. The EU legislation is intended to bring harmonised requirements and standards for aerodromes across the EU. Government intervention is necessary order to amend the ANO to reflect the coming into force of the Regulation. This would designate the CAA as the Competent Authority in the UK and enable aerodromes to transition to the European regulatory regime. The CAA is already designated as the competent authority for other European Aviation Safety Agency (EASA) Regulations. If no competent authority is designated, UK aerodrome operators would not be able to obtain a certificate and so would be unable to operate; nor would aircraft operators be able to operate at affected aerodromes. The ANO must in addition be amended to provide for penalties for non-compliance with the new Regulation, and to avoid multiple conflicts and duplication between it and the European Commission Aerodrome Regulation.

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> 2018					
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.		<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)				<b>Traded:</b> NQ	<b>Non-traded:</b> NQ

**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: Robert Goodwill Date: 04/12/2014

# Summary: Analysis & Evidence

# Policy Option 1

**Description:** The European Regulation for Aerodromes enters into force and the ANO is amended to reflect the coming into force of the Regulation in order to implement mandatory European regulations.

## FULL ECONOMIC ASSESSMENT

Price Base Year2013	PV Base Year2014	Time Period Years10	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: £-0.57m

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	1	N/A	N/A
High	N/A		N/A	N/A
Best Estimate	£0.57m		0	£0.57m

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

The one-off implementation costs for industry are estimated at around £0.57 million. These represent the costs of the administration procedures required to adopt the European rules. It should be noted that this estimate is sensitive to the data sources that have been used in this analysis and the assumptions that have been made in this Impact Assessment (IA). Therefore, this estimate has been used for purely illustrative purposes and should be interpreted as an indicative estimate of the order of magnitude of these costs.

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

No non-monetised costs have been identified in this IA. In particular, it is assumed that there would be no additional ongoing costs under Policy Option 1 compared to the "Do Nothing" scenario. This is because the continuing costs for aerodromes operating within the EASA regime are expected to be as currently because of the alignment between the current UK and European rules systems.

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

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

Given the limitations of the available evidence base, it has not been possible to monetise the benefits to safety that have been identified in this IA.

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

The European Commission Regulation for Aerodromes provides safety benefits in terms of harmonisation of aerodrome requirements and supports more consistent aircraft operating procedures, thereby supporting safety.

Key assumptions/sensitivities/risks

Discount rate

3.5

1.) For the purposes of this IA, the "Do Nothing" scenario is that neither the European Commission Regulation for Aerodromes nor the amendments to the ANO are introduced. 2.) The European Commission Regulation for Aerodromes came into force in March 2014, as specified on the EASA website. The biggest risk is that if the UK does not take steps to implement the Regulation then most aviation within, to and from the UK would over time be forced to stop.

## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: £0.05m	Benefits: 0	Net: £-0.05m	No	NA

# Evidence Base (for summary sheets)

## 1 Problem under Consideration

- 1.1 The problem under consideration is the need to ensure that aviation is as safe as reasonably possible. It is important for aviation to be safe so that members of the public can have trust in the aviation system without having to understand it for themselves. It is intended to apply the harmonised and standardised aviation safety regulation across the EU, to ensure that UK citizens are safe when they travel, whether on UK or other EU airlines. The UK places a high priority on aviation safety and has for the past few decades had rigorous safety legislation in place to tackle the problem. This legislation has covered all relevant aspects of aviation, including aerodromes. Accordingly, UK aerodromes have played their part in ensuring that the UK has had a low accident rate, and that consumers can be assured and use UK aerodromes with confidence.
- 1.2 Accordingly, the introduction of harmonised European rules, through the European Aviation Safety Agency (EASA), has been taking place since 2003. Several other technical disciplines, including initial and continuing airworthiness, aircrew licensing and air operations have already been subject to harmonised European rules. Since 2010 EASA has been developing rules for aerodromes<sup>1</sup>. 50 UK aerodromes are within the scope of the EASA aerodrome rules, including all the major and regional airports in the UK. This directly applicable European (EU) Regulation is going to change the aerodrome certification rules in Europe, including the UK, with effect from 6 March 2014, when the Regulation came into force.

## 2 Rationale for Intervention

- 2.1 Due to the complex nature of aviation and the fact that the risks are usually beyond the control of members of the public, it is not reasonable to expect the general public to be able to assess the risks of aviation fully. Therefore it is necessary for organisations to provide oversight of aviation on behalf of the public. It is necessary for the government to manage the problem because only the government has the ability to legislate to ensure that aviation is safe. In addition, only the government has the necessary authority to interact fully with the other national and international bodies which regulate and oversee aviation safety, such as the International Civil Aviation Organization (ICAO) and the EASA.
- 2.2 The government has already intervened to address the problem of ensuring aviation safety, first by introducing aviation legislation in the UK and more recently by committing the UK to abiding by European aviation safety regulation.
- 2.3 The rationale for the change is twofold:
  - a) To introduce rules applicable to aerodromes. Regulation (EC) No 216/2008 as amended by Regulation (EC) No 1108/2009 (the 'Basic Regulation') included aerodromes and ATM/ANS into the European aviation safety regulatory system. The Basic Regulation mandated EASA with the task to develop Implementing Rules (IRs) applicable to aerodromes within a defined timeframe for the field of aerodrome safety.
  - b) To have a harmonised set of rules across European aerodromes. EASA anticipates that the adoption of the rules will lead to improved safety without creating undue burden or leading to the discontinuation of established and well working mechanisms.

## 3 Policy Objective

- 3.1 The objective of the harmonised civil aviation European regulations is to ensure a high and uniform level of protection of European citizens, through the adoption of common safety rules and by measures ensuring that products, persons and organisations in the EU comply with such rules.

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<sup>1</sup> An aerodrome is a defined area on land or water (including any buildings, installations and equipment) intended to be used wholly or in part for the arrival, departure and surface movement of aircraft. (Source – International Civil Aviation Organisation, Annex 14).

This facilitates the free movement of goods, persons and organisations within the EU. The European regulations are broadly equivalent to the existing UK regulations.

- 3.2 The objective of the policy is to reconcile the existing UK legislation and the new European legislation so that UK citizens and UK businesses are able to continue to undertake present activities lawfully. The EASA Aerodromes Regulation introduces requirements for aerodromes in scope; therefore, an aerodrome operator to which the new Regulation applies must comply with that Regulation and not with the equivalent provision in the ANO.
- 3.3 Currently, in accordance with the ANO, UK aerodrome operators have to obtain licences from the CAA to demonstrate that they can operate safely. Under the EASA Aerodromes Regulation aerodrome operators will have to obtain certificates from their national 'competent authority'. A UK competent authority must be designated for the purposes of the EASA Aerodromes Regulation. Otherwise it would be impossible for operators of UK aerodromes in scope to obtain the necessary certificate. In this event aerodrome operators would be unable to comply with the regulations, so they would be unable to operate legally.
- 3.4 Forcing UK aerodrome operators out of business in this way would put UK businesses at a competitive disadvantage relative to their EU counterparts, which is against the UK Government's principles of implementing EU laws. The result of this would be the prohibition of most aviation in the UK, which would not be consistent with the aim of the European regulations of facilitating the free movement of goods, persons and organisations within the EU.
- 3.5 Another aspect of reconciling the UK and European legislation is the need to establish sanctions for breaches of specified provisions of the EASA Aerodromes Regulation so that compliance will be enforceable.
- 3.6 Finally, the ANO needs to avoid double-banking, so many existing provisions need to be amended to reflect the fact that for a significant proportion of aerodrome operators, including all the major UK airports, the EASA Aerodromes Regulation will apply instead.
- 3.7 The current UK licensing regime is closely based on the ICAO rules for aerodromes, and the new EASA rules are also based on the ICAO rules for aerodromes. ICAO rules are based on a system of "standards" that are considered essential for the safety and efficiency of air traffic and "recommended practices" that are considered desirable. Adoption of the standards is widespread across Europe and worldwide. However, this is not the case with the recommended practices; some states policy is to adopt most or all of them, some adopt them piecemeal and other states do not adopt them at all, so standards may vary throughout Europe. The UK policy for aerodromes has been to adopt both the standards and recommended practices (SARPS) into UK requirements.
- 3.8 In developing the rules for aerodromes EASA has recognised the variation in compliance and has sought to establish a common level of safety. To achieve this EASA has transposed all the SARPS without distinguishing between standards and recommended practices; in so doing it has made the recommended practices more robust, which supports current UK practice. Accordingly, the burden on the UK as a result of the EASA rules is small because the existing UK requirements already reflect those being introduced by EASA, but there are minor safety benefits arising from this harmonisation.
- 3.9 The UK has adopted the intention developed by EASA that indicates that conversion of an existing licence to a certificate should not be treated as re-certification but a lighter procedure that checks compliance with the new requirements of the regulation and those differences against the national regulation. EASA has made the assumption that, as aerodromes are licensed by us today, we already know, and have accepted, their level of compliance against those national rules.

## **4 Description of Options Considered**

- 4.1 For the purposes of this IA, the "Do Nothing" scenario is that neither the EASA Aerodromes Regulation nor the amendments to the ANO are introduced.
- 4.2 However, it should be recognised that the EASA Aerodromes Regulation has come into force. If the UK does not take action, the CAA would not be empowered to administer the European regulations on behalf of EASA, and so the UK would not be able to fulfil its obligations as an ICAO member State. The UK would not be seen to have adequate oversight of aviation safety, so

aerodromes would not be able to accept flights requiring the use of an EASA certificated aerodrome. So, the UK must take action to amend the ANO.

4.3 Policy Option 1 is therefore that the EASA Aerodromes Regulation enters into force and that the ANO is amended in order to facilitate the transition from UK to European law in such a way that applicable aerodrome operations are not restricted unnecessarily. As described in paragraphs 3.2 to 3.6, the three aspects of the ANO that require amendment are that:

- an entity needs to be designated as the competent authority for the purposes of the EASA Aerodromes Regulation;
- the penalties in the ANO need to include sanctions for breaches of specified provisions in the EASA Aerodromes Regulation, so that the European regulations are enforceable in the UK; and
- many existing provisions need to be amended to reflect the fact that for a significant proportion of aerodrome operators the EASA Aerodromes Regulation will apply instead.

The detailed changes are set out in the 'Proposed Amendment to the ANO' document.

4.4 A public consultation on the issue was carried out from June to October 2013 and no objections were received to the proposed amendments to the ANO.

4.5 The choice for the UK is between amending the ANO so that it does not contradict the superseding European regulations and not amending the ANO. No other options have been considered, since they would involve not amending the ANO, which would not be in accordance with the principle that double-banking is avoided.

## **5 Costs and Benefits Policy Option 1**

### **5.1 General**

5.1.1 This IA assesses the additional costs and benefits of Policy Option 1 compared to the "Do Nothing" scenario (see Paragraph 4.1). In line with the Better Regulation Framework Manual, a 10 year appraisal period has been used in this IA.

5.1.2 For the purposes of this IA, the additional costs and benefits of Policy Option 1 have been monetised to the extent that is possible. Given the limitations of the available evidence base (e.g. no cost or benefit information has been received from industry or the public), it has not been possible to monetise any of the additional benefits of Policy Option 1 that have been identified, and it has been necessary to make a number of assumptions.

5.1.3 It should be noted that the estimates of the additional costs of Policy Option 1 that are presented in this IA are very sensitive to the data sources used in this analysis and the assumptions that have been made in this IA. Therefore, these estimates have been used for purely illustrative purposes and should be interpreted as indicative estimates of the order of magnitude of these costs.

### **5.2 Benefits of Policy Option 1**

5.2.1 The CAA considers that the benefits of Policy Option 1 are limited for UK aerodromes because the existing UK system is consistent with the EASA rules. However, some aerodromes have perceived the benefit of having a "European" certificate which gives them international standing and they see this as potentially enhancing their business. The removal of most of the current UK differences is not seen to have an impact on safety or cost/operation at aerodromes. However, there are benefits for the aerodromes and aircraft operators because UK requirements will be more consistent with those across Europe; accordingly aircraft operators and flight crew will have consistent infrastructure (e.g. lights/signs/), so that crews can more easily operate. This harmonisation provides direct safety benefits as above and indirectly benefits operators as they are able to apply consistent operating procedures across Europe (e.g. using different lights, signs or markings can lead to confusion, thereby creating hazards). As no quantitative evidence is available on these impacts, this benefit has not been monetised in this IA.

### 5.3 Costs of Policy Option 1

- 5.3.1 Under Policy Option 1, there would be costs associated with aerodrome operators needing to familiarise themselves with the European legislation and the revised ANO; and the administration procedures required to adopt the European rules. These are taken into account in the costs below, based on the trials. The CAA continues to work with aerodromes and does not, at present, anticipate increases to its charges for aerodromes arising from the EASA transition process.
- 5.3.2 To test the transition procedures, the CAA has conducted trials at 3 regional airports, Bristol, Aberdeen and Norwich. The Bristol trial was a first test of elements of the transition procedures; as such the feedback from Bristol has been limited. However, the latter two were dress rehearsals. The process involves providing evidence that the aerodrome has a complete set of aerodrome management procedures that comply with the rules (e.g. safety management system, aerodrome inspection regime) and that the aerodrome infrastructure (runways, taxiways etc) comply with the technical specifications. Both involve the completion of checklists with supporting evidence. Complementing this, the aerodrome has to provide an Aerodrome Manual which describes in detail how the aerodrome is operated. Therefore, each aerodrome reviewed the rules in detail and provided the necessary evidence of compliance. Additionally, Aberdeen and Norwich were both asked to record and quantify the resources used for the trials, with the time taken and costs identified as follows:

#### Aberdeen (2013 prices)

Role	Trial (days - hours - hourly rate)	Aerodrome Manual	Total (£)
Head of Airside	6x8x32 = £1536	2x8x32 = £512	£2048
Operations Asst	6x8x26 = £1248	2x8x26 = £416	£1664
Operations Asst	6x8x26 = £1248	10x8x26 = £2080	£3328
Operations Manager	6x8x32 = £1536	1x8x32 = £256	£1792
Safety Manager	2x8x32 = £512	---	£512
Technical Services	1x8x30 = £240	---	£240
Spec Support	4x8x34 = £1088	---	£1088
Team Supervisor	2x8x19 = £304	---	£304
Total	33 days	15 days	£10976 (48 days)

## Norwich (2013 prices)

Job Title	Hourly Rate	Number of Hours	Cost (£)
Completed Tasks			
Operations Director	51.93	37	£1921
Safety Manager	27.30	17	£464
Operations Assistant	9.61	29	£279
Fire Service Manager	29.26	17	£497
Airside Services Manager	21.27	9	£191
Airfield Operations Manager	25.24	21	£530
Technical Services Manager	34.09	25	£852
Senior Airport Electrical Technician	23.66	10	£237
Manager Air Traffic Services	39.39	2	£79
Sub Total	N/A	167	£5051
Outstanding Tasks			
Operations Assistant	9.61	80	£769
Operations Director	51.93	80	£4154
Sub Total	N/A	160	£4923
Total	N/A	327	<b>£9974 (41 days)</b>

- 5.3.3 From the submissions received from these airports, the CAA has identified that both triallists have spent similar time on the procedures (operations) elements of the rules, which are the same for every aerodrome in scope irrespective of size or complexity; and that the difference in cost is explained by Aberdeen having a bigger site and so more to complete for the infrastructure (airfield) element. As the rules are common for all aerodromes, the evidence received from these airports has been used to develop indicative assumptions of the costs per airport for the other airports that will be required to comply with these rules.
- 5.3.4 These assumptions take account of the size differences between airports. In particular, the CAA has assumed that the larger airports with a greater infrastructure will take more resource to capture the necessary airfield information. This is because the aerodrome has to confirm that each EASA infrastructure specification is complied with, which requires the aerodrome to do this for each taxiway, aircraft stand, runway etc; and both triallists confirmed that it was this element that took most of the time, checking plans or on-site.
- 5.3.5 To manage its oversight of the aerodromes, the CAA divides aerodromes into categories which reflect the size and/or complexity of the aerodrome. This helps the CAA plan its oversight to ensure consistency. The aerodromes are categorised and listed below:

### **Category A**

Aerodromes that are both very large and complex in nature combining high movement rates and large passenger numbers through public transport operations. They may have significant development potential with emerging safety issues that might require additional periodic presence by AS Operations over and above the normal audit function.

Heathrow, Gatwick, Manchester, Birmingham, Glasgow, London City, Stansted

### Category B

Aerodromes with scheduled public transport that are complex in nature.

Aberdeen, Belfast City, Belfast International, Bristol, Cardiff, East Midlands, Edinburgh, Liverpool, Leeds/Bradford, Luton, Newcastle, Prestwick

### Category C

Aerodromes that operate public transport aircraft and are geographically large but are less complex owing to low movement rates or passenger numbers.

Benbecula, Biggin Hill, Blackpool, Bournemouth, Cambridge, Carlisle, City of Derry, Coventry, Cranfield, Doncaster Sheffield, Dundee, Durham Tees Valley, Exeter, Farnborough, Hawarden, Gloucestershire, Humberside, Inverness, Manston, Kirkwall, Newquay, Norwich, Scatsta, Lydd, Southend, Southampton, Stornoway, Sumburgh, Wick

### Category D

Aerodromes or heliports that operate either flying training operations, general aviation, or scheduled public transport, and can be complex in nature.

Oxford, Shoreham

### Category E

These are aerodromes or heliports where the bulk of the activity is limited to flying training operations, public transport (A to A) and general aviation. These are outside the scope of the EASA rules.

5.3.5 Using the evidence from the trials, the indicative assumptions of the costs arising from the transition which have been developed by the CAA are as follows. Using the trial basis that an average Category C airport (Norwich) incurred costs of £10k and a code B airport (Aberdeen) £11k, it was assessed that this could be extrapolated to develop estimated costs for all the EASA scope aerodromes. The costs assumptions for the different categories of aerodromes reflect the CAA's assessment and judgement of the impact on aerodromes of different size and complexity. It should be noted that these costs are assumed and are subject to some uncertainty. However the aerodromes used for the trials are representative of UK airports on the basis of their relative size and complexity, and it is considered that a proportionate approach has been taken.

5.3.6 On the basis of the above assumptions, the total additional costs to UK airports with regards to the administration procedures required to adopt the European rules have been estimated at around £0.57 million (2013 prices).

<b>Airport Code</b>	<b>Transition Costs (£k)</b>	<b>Number of Airports</b>	<b>Total (£)</b>	<b>Examples</b>
Heathrow	21	1	£21,000	
Code A	19	3	£57,000	Gatwick, Stansted, Manchester
Code A	15	2	£30,000	Glasgow, Birmingham,
Code B	13	4	£52,000	Edinburgh, Belfast Int'l, East Midlands, Prestwick
Code B	11	8	£88,000	Aberdeen, Belfast City, Bristol, Newcastle, Leeds/Bradford, Liverpool, Luton, Cardiff,
Code C	10	30	£300,000	All (plus London City)
Code D	9	2	£18,000	All
<b>Total Cost</b>	N/A	50	<b>£566,000</b>	



- 5.3.7 Once certificated against the EASA rules each aerodrome will manage its activities as now and the CAA will continue to provide regulatory oversight. The CAA assumes that there would be no additional ongoing costs under Policy Option 1 compared to the “Do Nothing” scenario. This is because the continuing costs for aerodromes operating within the EASA regime are expected to be as currently because of the alignment between the current UK and European rules systems. The CAA will not increase its resources to continue its oversight obligations and the trial aerodromes have confirmed likewise. To emphasise one should note the principles underpinning the development of the rules. In February 2012, EASA published its first draft of the rules, Notice Of Proposed Amendment, NPA 2011-20 (A) “Authority, Organisation and Operations Requirements for Aerodromes”. In the accompanying Explanatory Note, EASA included the following section:

“EASA has been conscious throughout the development and drafting of the rules for aerodromes that Member States are able to easily transit to the future rules and that obligations placed on the Member States and on the industry are not greater than those currently required by the ICAO SARPs”.

EASA has maintained this approach throughout, which has resulted in a rule set that should not give rise to additional ongoing costs compared to the “Do Nothing” scenario because of the consistency between the ICAO rules (on which the current UK system is based) and the incoming European rules. In this respect, the UK alignment with ICAO has prevented the European rules from being a burden.

## **6 Rationale and evidence that justify the level of analysis used in the IA**

- 6.1 As there is no option regarding how the policy is implemented and no objections were received to the proposed amendments to the ANO during the public consultation on the issue which was carried out from June to October 2013, the level of analysis used in the IA is considered to be proportionate (see paragraph 17 of [Impact Assessment Guidance](#)).

## **7 Risks and Assumptions**

- 7.1 If the UK does not take action, the biggest risk is that if the UK does not have appropriate legislation and regulatory oversight in place then foreign States will not have confidence in the safety of UK aerodromes. Thus air travel between the UK and foreign States could be severely curtailed.
- 7.2 Such an impact on aviation activity would have significant consequences for the UK economy as the aviation sector provides significant benefits to the UK economy. For example, evidence of the impact of a loss of aviation activity can be seen from the volcanic ash cloud which closed large parts of European airspace to commercial air transport during the week 15-21 April 2010. According to a report by Oxford Economics ([UK Economic Losses Due to Volcanic Ash Air Travel Restrictions](#))<sup>2</sup>, the net impact on UK GDP for the period 15 April to 20 May 2010 was estimated to be a loss of £456.5 million.
- 7.3 Furthermore, the UK is expected to adopt this European Regulation, so the risk of infraction exists if the UK does not take action to adopt the Regulation, as it would have failed to comply with the European Commission’s intentions for harmonised aerodromes requirements.
- 7.4 Another risk is that it is assumed that if no sanctions were in place for breaches of the regulations, people would be more likely to break the law.
- 7.5 Policy Option 1 will address these risks. In particular, by adopting the European legislation and amending the ANO, aerodromes are able to continue to operate. Additionally, because aerodrome operators would still be permitted to carry out their normal operations, air operators would also be able to carry out their normal operations.

## **8 Direct Costs and Benefits to Business Calculations (following OITO methodology)**

- 8.1 The policy measure is out of scope of the One-In, Two-Out (OITO) rule as the Air Navigation Order 2009 (ANO) is an EU Regulation (the EASA Aerodromes Regulation) and does not go beyond the minimum EU requirements; it is therefore out of scope of the one-in-two-out (OITO) rule.
- 8.2 The Best estimate of the Net Benefit to business (Present Value) over the 10 year appraisal period is around -£0.57m (2013 prices). On the basis of the OITO methodology, the Best estimate of the Net Cost to business per year (EANCB) is therefore estimated at around £0.05 million per year (2009 prices).

## **9 Wider Impacts**

### **9.1 Statutory Equality Duties**

#### *9.1.1 Race*

9.1.1.1 The proposals relate to all aerodromes, therefore we do not anticipate that these 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 they will be seen as favouring a particular group or denying opportunities to another; or
- damaged relations between any particular racial group (or groups) and the Department for Transport (DfT).

#### *9.1.2 Disability*

9.1.2.1 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 aerodrome operators, so we do not anticipate any disadvantages or discrimination for disabled people, in line with this Act.

#### *9.1.3 Gender*

9.1.3.1 The proposals will apply to all aerodromes in the EASA scope, which includes all the major UK aerodromes. Therefore we do not anticipate that these amendments will lead to:

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

## **9.2 Economic Impacts**

### *9.2.1 Competition*

9.2.1.1 Under Policy Option 1, aerodromes, and consequently air operations, would continue under similar requirements as is currently the case. Therefore, under Policy Option 1, it is assumed that there would not be an impact on competition compared to the "Do Nothing" scenario.

9.1.1.2 However, if the ANO is not amended to nominate the CAA as the competent authority for the purposes of the EASA Aerodromes Regulation, then no new operators would be able to obtain aerodrome certificates in the UK, which would prevent aviation activity and, notably, limit competition in commercial air operations. Furthermore, current UK aerodrome operators would not

have available to them the certificates, permissions and exemptions that they currently enjoy, which would put them at a commercial disadvantage to their foreign competitors.

## 9.2.2 Small and Micro Business Assessment

9.2.2.1 The EASA Aerodromes Regulation will come into force early in 2014, regardless of what action is taken by the UK government. The purpose of the proposed change to the ANO is to minimise the disruption caused by the EASA Aerodromes Regulation superseding certain UK regulations for aerodromes in scope. The UK does not have a choice not to adopt the Regulation and how it is implemented. Additionally, the scope of the Regulation clearly details the size of aerodromes included. A few of the UK aerodromes in Categories C and D (which fall within scope) are small businesses<sup>3</sup>, and so will incur the costs identified in Section 5.3.

## 9.3 Environmental Impacts

### 9.3.1 Greenhouse Gas Assessment

9.3.1.1 Under Policy Option 1, aerodromes, and consequently air operations, would continue under similar requirements as is currently the case. Therefore, under Policy Option 1, it is assumed that greenhouse gas emissions would be unchanged compared to the “Do Nothing” scenario.

9.3.1.2 However, if the ANO is not amended to nominate the CAA as the competent authority for the purposes of the EASA Aerodromes Regulation, the CAA consider that there would be an impact on aviation activity and hence greenhouse gas emissions.

### 9.3.2 Wider Environmental Issues

9.3.2.1 Under Policy Option 1, aerodromes, and consequently air operations, would continue under similar requirements as is currently the case. Therefore, under Policy Option 1, it is assumed that noise pollution and air quality would be unchanged compared to the “Do Nothing” scenario.

9.3.2.2 However, if the ANO is not amended to nominate the CAA as the competent authority for the purposes of the EASA Aerodromes Regulation, the CAA considers that there would be an impact on aviation activity and hence noise pollution and air quality.

## 9.4 Social Impacts

### 9.4.1 Health and Well-being

9.4.1.1 Under Policy Option 1, 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.

### 9.4.2 Human Rights

9.4.2.1 Under Policy Option 1, it is not anticipated that the proposals will have any human rights impacts.

### 9.4.3 Justice System

9.4.3.1 Under Policy Option 1, it is not anticipated that the proposals will have any implications for the justice system.

### 9.4.4 Rural Proofing

9.4.4.1 Under Policy Option 1, it is not believed that any of the proposals will have a different impact on people in rural areas because of their particular circumstances or needs.

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<sup>3</sup> Source: CAA Records

## **9.5 Sustainable Development**

### *9.5.1 Sustainable Development Impact Test*

9.5.1.1 Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. Under Policy Option 1, the proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.

## **10 Summary and Preferred Option with Description of Implementation Plan**

10.1 The coming into force of the EASA Aerodromes Regulation in 2014 obliges the UK to amend its national legislation accordingly, in particular the ANO. Not doing this would subject UK businesses to requirements with which they were unable to comply, which would put them at a competitive disadvantage relative to their EU counterparts. Hence the CAA's preferred option is Policy Option 1.

10.2 The CAA has provided the DfT with a description of the required amendments to the ANO. The DfT should then be able to make the necessary changes to the ANO as soon as the EASA Aerodromes Regulation is published in the Official Journal of the European Union.

## **11 Post Implementation Review**

11.1 The CAA intends to review this measure in 2018, after the end of the transition period. This review will test the implementation to determine the effects of the regulation in practice and whether unforeseen additional costs have been incurred.