CAA Response to 2017 Government Aviation Strategy Call for Evidence
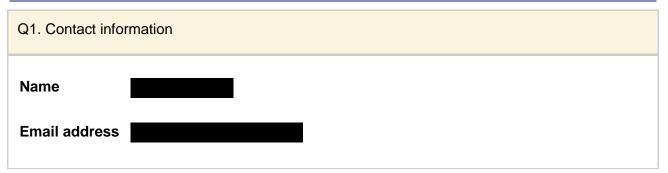
CAP 1609

Contents

Introduction

1.   On 21 July 2017 the Government announced[1] that it intended to create a new Aviation Strategy which would set out the long-term direction for aviation policy making for 2050 and beyond. It first published a Call for Evidence[2], within which it sought views from stakeholders on the approach the Government was proposing to take and the issues that it had identified, as well as on the specific policy proposal to support airports throughout the UK making the best use of their existing runways, subject to environmental issues being addressed.

2.   This document presents the CAA's response to the Call for Evidence consultation, submitted on 12 October 2017. Its format mirrors the online form which was the Government's preferred method for responding to the consultation.

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[1]   https://aviationstrategy.campaign.gov.uk/

[2]   https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/636625/aviation-strategy-call-for-evidence.pdf

CAA Response to the Call for Evidence

General information

Q1. Contact information

Name ▮▮▮▮▮▮▮▮

Email address ▮▮▮▮▮▮▮▮▮▮

Q2. What is the nature of your:

interest in the aviation sector?   Responding on behalf of the Civil Aviation Authority

involvement in the aviation sector?   Head of Network Resilience Policy at the Civil Aviation Authority

Q3. Are you responding:

on behalf of an organisation?

Q4. What is the name of your organisation?

Civil Aviation Authority

Aviation Strategy

Q5. What are your views on the proposed aim and objectives?

The CAA believes that it is important that consumers should be the main focus of the government's strategy. It is consumers that, in the main, fund the UK's aviation industry and therefore it is right that their needs are considered. However, the government should also take account of aviation's effects on UK residents and citizens (for example, those that are overflown), and non-commercial users of UK airspace, such as the General Aviation community. The CAA also recognises that the government has other objectives, such as those around wider economic growth, that it will be looking to pursue in its strategy.

Q6. Do you have a view on the order the objectives should be tackled?

Yes

Q7. In what order of importance do you think the objectives should be tackled (please rank the challenges 1 = highest priority, 6 = lowest priority)?

Help the aviation industry work its customers   -

Ensure a safe and secure way to travel   -

Build a global and connected Britain   -

Encourage competitive markets   -

Support growth while tackling environmental impacts   -

Develop future innovation, technology and skills   -

Why?
Although the CAA does not have a preference for the order in which the DfT tackles its objectives, the final Brexit settlement may make a significant difference to the international aviation landscape in which the UK industry acts (and therefore to the most appropriate policy for the government to follow). Therefore it would make sense for the government to consider first

Q7. In what order of importance do you think the objectives should be tackled (please rank the challenges 1 = highest priority, 6 = lowest priority)?

those subjects which are more self-contained and less affected by a dependency on the final Brexit settlement. These are likely to include airspace use and the noise effects on those overflown, national measures to tackle climate change and air quality, resilience, and technology and skills. As the post-Brexit landscape becomes clearer, the government could then consider topics that have a strong dependency, such as global and connected Britain, the international environmental measures (in relation to membership of EU-ETS or the EU air quality directive), security and safety. In this latter topic for example, the relationship of the UK post-Brexit to EASA will be very significant.

Strategy principles

Q8. What are your views on the proposed strategy principles?

CAA strongly supports the government's proposed strategy principles to put the passenger at the heart of all that it does, be market driven and evidence based in its approach. We also agree that the principles should acknowledge the market nature of much of the aviation industry in the UK, and that any intervention from the government must aim to make those markets work more effectively, rather than stifle them, a judgement which can only be confidently taken after examining all the available evidence.

Policy tests

Q9. What are your views on the proposed policy tests?

The CAA agrees that the basis for government policy should be an appreciation of the problem, an examination of the evidence relating to it and an understanding of what effect government intervention might have to resolve it.
However, the CAA believes that the government could use the strategy as an opportunity to become much clearer on its air transport policy framework. Therefore the CAA would suggest the policy tests are amended as follows to focus the strategy on outcomes, gaps in the framework for achieving outcomes and how best to address them:

- What outcome does the government want to achieve?
- What does the evidence say about this outcome and its priority?
- What are the options for achieving the desired outcome and what would be required to

Q9. What are your views on the proposed policy tests?

>   achieve them?
> - What trade-offs might exist between this outcome and others, and how should those trade-offs be prioritised?
> - What existing policies/mechanisms are in place and what, if any, gaps exist, including those that might be filled by Government?
> - What is the preferred strategy and how will it be implemented (in particular, what specific initiatives are required to achieve it and what are the roles for various organisations in delivering those)?

Utilising existing runways

Q10. What are your views on the government's proposal to support airports throughout the UK making best use of their existing runways, subject to environmental issues being addressed?

The CAA agrees that, in general, the government should support airports throughout the UK making best use of their existing runways, as in general this is beneficial for consumers – more services are provided and therefore prices are likely to be reduced. However, the government is also correct to caveat that support, although not solely subject to environmental issues being addressed.

The CAA believes the government should be clearer about what "subject to environmental issues being addressed" actually entails, by reference to the major environmental effects (climate change, air quality and noise) as well as current legislation, regulatory commitments and progress to date. For example, in some cases there may be existing restrictions on airports and also existing government policy (to limit and where possible reduce exposure to noise) to consider. Further, the government may wish to think about how it sets expectations about what might be addressed prior to expansion – and may need to take account of its response to its airspace consultation which closed earlier this year.

Any new development must also be in line with the prevailing safety and security standards, and, where the CAA has oversight, we will expect to undertake this in line with our duties, for the continued safety of the travelling public.

In areas of the UK where airspace or other facilities are congested, then support for making best use of runways should only be given subject to any resilience issues arising from that use being addressed. Resilience is increasingly an issue in UK airspace, as growth in volumes means a fixed infrastructure is being placed under more pressures and delays are often a consequence of small differences to the planned activity (by resilience, we mean not just how to manage delay in the event of significant disruption, but also how best to plan a schedule that is predictable and deliverable in the vast majority of circumstances). Managing resilience is likely

Q10. What are your views on the government's proposal to support airports throughout the UK making best use of their existing runways, subject to environmental issues being addressed?

to require realistic scheduling assumptions, an understanding of the implications of changes of airport use on other airports and airspace users, and – in the worst affected areas – a method for managing the network at a UK system level. These issues and others are currently being reviewed by the industry through its Voluntary Industry Resilience Group, which is expected to issue recommendations for addressing them shortly. Implementing such recommendations may or may not require government and/or CAA intervention, but they should be considered as a part of the government's evolving aviation strategy.

Furthermore, the CAA is working to review the current airspace architecture (in terms of the rules and duties surrounding the management of airspace) and has identified some existing gaps. We will be submitting some analysis and input on this topic in our response to the relevant consultation as part of this strategy. This is covered in more detail in our response to Q12, below.

Consultation process

Q11. Are there any other specific questions on the 6 objectives that you think should be included in the planned consultations?

Yes

Q12. What other questions would you like considered?

Connected Britain / Competitive markets

Air Services Agreement restrictions and in particular airline ownership and control (O&C) restrictions are the main barriers to entry and restrictions in the airline market that limit competition, aside from airport congestion and the slot grandfathering rules. O&C restrictions are archaic and it seems a missed opportunity not to mention ASA and O&C liberalisation in this context, particularly in the context of Brexit, which may present opportunities and risks in this area. They are not ends in themselves, neither is competition – the point is to remove restrictions on competition generally to achieve a fluid market, with the aim being to maximise consumer choice and value.

Airspace

Q12. What other questions would you like considered?

Under the 'Supporting growth' objective, we welcome a question about the structures that are needed to support airspace modernisation. The CAA will also be undertaking work on this area in 2018, having identified a number of strategic issues with the current policy and regulatory framework for airspace and noise. We will continue to liaise with the DfT, particularly should we receive new directions following the DfT's recent consultation on the airspace change process, so we can both ensure that our work on this issue and the engagement around it is complementary. The issues this work will address include:

- That there is no strategic sequencing of, coordination between and prioritisation of airspace changes. Individual airspace changes submitted by one airport could conflict with changes required by other airports in the future (e.g. to deliver new capacity). In addition, there is no clear policy that would aid that prioritisation, so, for example, should an airspace change that delivers new capacity be prioritised over one that could deliver a net reduction in noise, or improve efficiency?
- The lack of a mechanism to make beneficial changes to airspace if a sponsor is not forthcoming. Under the current policy framework, neither the CAA nor government can compel an organisation to sponsor an airspace change to completion, nor to sponsor it to a level of quality and coordination (although the CAA can refuse an airspace change if it does not meet the requirements set out in Section 70). This could be a specific consideration relating to the question about whether the government has the right structures in place to modernise airspace.

There are further gaps in oversight and related enforcement powers, which we have identified but do not yet form part of the work we are doing with the DfT. These issues include that there are currently no mechanisms for:

- remedying a noise issue identified by our information role. Stakeholders responding to our recent consultation on new airspace change process guidance used the consultation as an opportunity to request new policy mechanisms to enforce and/or require reduction in aviation noise, including where the introduction of Performance Based Navigation related concentration has led to a noise increase. This was most often raised by residents affected by aviation. The DfT could use the Aviation Strategy consultations to determine whether such a policy is needed, and if so, the CAA's role in executing it. This could be a specific consideration relating to the question about whether the right incentives and regulations are in place regarding reductions in noise – although the wording of this question does not imply the policy change that stakeholders are requesting (the questions asks whether the right incentives and regulations are in place to ensure the industry continues to reduce noise, whereas stakeholders raising this particular issue are asking that a new policy place an absolute noise limit on industry operations).

Q12. What other questions would you like considered?

- remedying certain types of performance issues identified by Post Implementation Review (PIR). The CAA undertakes a PIR of every airspace change, and our guidance on our new process includes clearer information about how we do this and the data we use. However, our powers to intervene on the findings of the PIR are limited. The PIR asks specifically whether an airspace change is performing as expected. If it is not, we can "conclude that the original design was not satisfactory and the original change is not confirmed. In this case, in order to pursue its change, the change sponsor will need to commence a fresh airspace change request from Stage 1 [of the process]." We cannot do any redesign ourselves, but some stakeholders have higher expectations. The DfT could use the Aviation Strategy consultations to determine whether such a policy is needed, and if so, the CAA's role in executing it.

- requiring an airspace change to meet conditions (for example, on absolute traffic numbers), monitoring it over time, and remedying any breach. The PIR gives the CAA one opportunity to review whether the change has performed as expected. Some stakeholders have questioned whether changes should be reviewed periodically and whether further conditions could be put upon them. For example, could the CAA approve a flightpath on the condition that the number of flights using it per day does not exceed a certain number? The DfT could use the Aviation Strategy consultations to determine whether such a policy is needed, and if so, the CAA's role in executing it.

- a systematic and periodic review of the UK's airspace arrangements as a whole, and whether improvements can be made. Airspace is changed incrementally, as we approve (or not) individual changes. There is therefore an opportunity to review both the current system as it has emerged and any future system. Are the areas of controlled and uncontrolled airspace optimal, or could there be improvements? Are there zones that could be used more effectively? This review, unlike the points raised above, would not necessarily need new powers to be carried out by the CAA – but we could not require the systematic improvements revealed by such a review to be made. The DfT could use the Aviation Strategy consultations to determine whether such a review is needed, and if so, the CAA's role in executing it and carrying out improvements identified by it.

In addition to the strategic issues above, the CAA's recent consultations on changes to our decision-making process around airspace changes (available at https://consultations.caa.co.uk/policy-development/draft-airspace-design-guidance/), other policy issues emerged from respondents which we think the government's strategy could usefully address:

- New policy mechanisms to better take account of health impacts of aviation. Again, this could be a specific consideration relating to the question about whether the right incentives and regulations are in place regarding reductions in noise.

- A clearer role for Airport Consultative Committees (ACCs); other engagement activities (such as discussions with community groups) have given rise to the suggestion that

Q12. What other questions would you like considered?

ACCs could do more to represent wider community interests around airports. New campaign groups have emerged near airports as airspace modernisation leads to changes in where and how aircraft are heard and observed. Such stakeholders would welcome a renewed government consideration of ACCs' role, and may use these consultations as a way to say so. As such, a question might help make those comments more focused and useful.

Safety and Security

The government should consider, particularly in the light of the possible outcomes of the Brexit negotiations, how the UK best maintains the high standards of safety and security which it currently experiences. It should also consider how we best retain our influence on the standards of safety and security in other countries which directly affect many UK residents and citizens.

General Aviation

The CAA notes that the then Government published a General Aviation Strategy in March 2015, which considered all aspects of General Aviation, including Business Aviation. Although this document was produced under the previous coalition administration, the CAA and the GA community are currently working to implement the recommendations in that strategy. Therefore it would be helpful if the government could indicate – or include a question to ask stakeholders – to what extent it intends to reexamine this General Aviation Strategy as part of this review.

Passenger protection

In recent weeks, we have seen how passengers have been successfully repatriated following the failure of Monarch Airlines, but with only some passengers covered by ATOL protections and others relying on arrangements made by the government. Airline failures have been rare but it is likely that governments will feel obliged to support passengers left abroad in the event of a failure. The strategy may be a good opportunity to consider both how such exercises might be funded (through general taxation, existing aviation specific taxation, further levies, bonding etc) and options around insolvency provisions to make repatriation or orderly wind down more manageable.

The environment

The strategy refers to measures in the UK Air Quality Plan (Para 7.13) and the UK Air Quality Plan (UK plan for tackling roadside nitrogen dioxide concentrations, Detailed plan, July 2017) in turn refers to the Aviation Strategy (Para 7.3.14). The government should be clear about the work that is being undertaken under each of these processes that will formulate its strategy to

Q12. What other questions would you like considered?

address the issue of managing the air quality effects of aviation.
The strategy could also consider the likely environmental impacts of emerging technologies in aviation such as drones, supersonics and electric planes, and whether these are likely to require any change to the overall Aviation Strategy.

Q13. Are there any other sources of information or evidence that the government should bear in mind when developing the strategy?

Yes

Q14. What sources of information or evidence?

The CAA holds a wide variety of information on the UK aviation industry and behaviour and attitudes of passengers. For example, the CAA runs a departing passenger survey (www.caa.co.uk/surveys) which records information such as journey purpose, residence and full surface and air journey details, and a passenger tracker survey (www.caa.co.uk/CAP1504) which gauges passenger attitudes to air travel and the service provided by airlines and airports. Various CAA publications and reports use this data and other industry evidence to draw conclusions about different aspects of aviation in the UK and beyond (for example, CAP 1413, the CAA's response to the British Infrastructure Group's Call for Evidence on UK airports, which discussed competition at regional airports).

Q15. Does the proposed timetable (chapter 2), provide enough time to examine the existing issues in sufficient depth?

Yes

Q17. What action could the government take to make sure that the maximum number of people, communities and organisations are engaged in the process and are able to have their views heard?

It is a difficult balance to ensure enough and varied voices are heard whilst defining strategy clearly and promptly enough to take action. There are a number of topics which will not necessarily be accessible to all stakeholders without detailed explanation of the issues (for example, the framework of Air Services Agreements which underpin the variety of services which are permitted between countries is probably not well understood by the typical air passenger). Also, as noted above, the timing of consultation on those aspects of the Strategy which are more Brexit-dependent could avoid stakeholders engaging in nugatory work or needing to consider multiple Brexit-related scenarios in their responses.

However, the government's use of this call for evidence as a way of canvassing views on how best to ensure the maximum number of stakeholders are engaged is a good approach.

Other comments

Q18. Do you have any other comments on the issues raised by this call for evidence?

No

Organisational help

Q20. If you are responding on behalf of an organisation, would your organisation be willing to:

	Your answer
take part in helping development of the strategy?	Yes
help organise events to help the development of the strategy?	No